

THE CITY OF
WESTON
FLORIDA
It just keeps getting better

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2004



COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CITY OF WESTON, FLORIDA
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2004

Prepared by:
Treasury Services Department

CITY OF WESTON, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2004

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Eric M. Hersh
Mayor

Daniel J. Stermer
Commissioner

Murray Chermak
Commissioner

John R. Flint
City Manager

7 January 2005

To the Honorable Mayor and Commissioners, and the residents of the City of Weston, Florida:

The Comprehensive Annual Financial Report (the Report) of the City of Weston, Florida (the City) for the fiscal year ended September 30, 2004, is hereby submitted as mandated by Florida Statutes. These statutes require that the City annually issue a report on its financial position and activity within one year of the close of each fiscal year, and that this report be audited by an independent firm of certified public accountants. Financial statements in this Report are presented in conformity with the generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) Statement Number 34 and audited in accordance with the generally accepted auditing standards.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh its benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurances that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this Report is complete and reliable in all material respects and that it is reported in a manner that presents fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The City's financial statements have been audited by Keefe, McCullough & Co., LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Weston for the fiscal year ended September 30, 2004, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.



The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City Profile and Governmental Structure

The City of Weston is located in the southeastern part of the State of Florida and is considered to be one of the largest master planned communities in the country. The City has a land area of 25.8 square miles, a population estimated at 60,636, and is empowered to levy a property tax on real property located within its boundaries.

The City has operated under the Commission-Manager form of government since incorporation in 1996. Policymaking and legislative authority are vested in the City Commission, which consists of a Mayor and four Commissioners. The City Commission is responsible for, among other things, enacting ordinances, adopting the budget, appointing boards, and hiring the City Manager and the City Attorney. The Commission is elected on a non-partisan basis. The four Commissioners are elected to four-year staggered terms and must reside within their respective residential seat area; they are, however, elected at large. The Mayor is elected to a four-year term, and is elected at large. The City Manager is responsible for carrying out the policies and ordinances of the City Commission, preparing the City budget, overseeing the day-to-day operations of the City, and appointing the heads of the City's departments.

The City provides a full range of services to its residents and businesses through public and private sector contracts. Contracted services include police through the Broward Sheriff's Office Department of Law Enforcement; fire and emergency medical services (EMS) through the Broward Sheriff's Office Department of Fire Rescue and Emergency Services; building code services through Broward County Building Code Services Division; solid waste and recycling collection through All Service Refuse; planning, zoning and engineering through Calvin, Giordano and Associates, Inc.; finance and administration, parks and recreation, public works, and utilities through Severn Trent Services.



The City is financially accountable for component units consisting of two legally separate development districts and one legally separate cable television operation, all of which are reported separately within the City's financial statements. Additional information on all three of these legally separate entities can be found in Note 2A in the notes to the financial statements.

The annual budget serves as the foundation of the City's financial planning and control. The City adopts an operating budget on a GAAP basis for all governmental and proprietary funds except The Town Foundation, the Roadway Improvement Note Fund, and the 2003 Bond Construction Fund. All departments responsible for City and component unit operations are required to submit their requests for appropriations to the Budget Director for inclusion in the draft budget by the end of April. The City Manager, assisted by the Budget Director and the Director of Treasury Services, uses these requests as the starting point for developing a proposed budget. The Manager then presents the tentative or proposed budget to the City Commission and the public at two public hearings. Prior to October 1st of every year, the City's annual budget is adopted through the passage of an ordinance at the second public hearing. The level of budgetary control at which expenditures may not exceed the budget is the government level. Any transfers within the funds of the City and the funds of its component units are permissible as long as the total level of expenditures does not exceed the budgeted amount. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented on pages 53 and 54 as part of the required supplementary information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the specific environment within which the City of Weston operates.

Local economy. Since its inception as a municipality in 1996, the City has experienced a rapid ascension into the ranks of premier communities in Southeast Florida. Fueled by the growth of its high-quality residential and commercial development, benefiting from its well thought-out, modern and efficient infrastructure, strategic location, easy access to major communication and transportation lines, excellent schools and recreational opportunities, effective crime fighting and prevention, and vibrant, creative and enterprising resident community, Weston has prospered and grown to reach maturity during one of the best economic expansions on record.

As the national economy struggled in the last two years, the region encompassing Miami-Dade and Broward counties experienced



recessionary effects that were generally less severe than the national average. Weston, on the other hand, experienced virtually no negative effects, fueled largely by a very strong real estate market and the propensity of strong, resilient businesses that not only weathered the recession but also prospered in it. Additionally, high-value and high-skill services such as investments, banking, financial services, medical care and technology, international trade, and education have given the City's economy a high degree of flexibility. Additionally, because of the diverse industries, corporations and residents of the City, the City's economy is tied to a mechanism comprised of regional, state, national, hemisphere and global trends, which provide a high degree of diversification and thus mitigate short-term risks.

During the national economy's gradual return to growth, the City remained well positioned to continue to enjoy a favorable economic environment. In its residential component, only one major project remained unfinished with approximately five hundred homes to be constructed in the next two years. Likewise, in the City's non-residential components, it is anticipated that major development and building activities will continue for another year with subsequent activity generated but limited to infill and redevelopment. The residents of Weston benefit from a variety of local businesses. Major national and international corporations with divisions within the City include American Express, Andrx Pharmaceuticals, Best Buy, Keebler Company, Kraft Foods, Marriott International, Office Depot, Publix Supermarkets, the School Board of Broward County, Sun-Sentinel and Vacation Village. At the end of fiscal year 2004, the City's computerized occupational license system listed 2,785 licensed businesses.

Long-term financial planning. In order to protect and enhance property value, the City will continue to invest in capital renovations, new capital projects and service enhancements. During fiscal year 2005, the City intends to spend over \$8.4 million on capital projects such as roadway projects including installation of medians along sections of South Post Road, resurfacing of sections of Arvida Parkway and Indian Trace, improving the underpasses of I-75, and completing the roundabout construction outside the Weston Regional Park. Additionally, significant funds will be expended on signing and safety with a major city-wide traffic signage rehabilitation project. Finally, the City projects to spend heavily on recreation needs by completing construction of Vista Park, renovating numerous other parks, and starting the design of a new passive park located at the site of the former Weston Charter School.

In terms of service enhancements, there will be two additional motorcycle deputies in Police Services and additional dive-rescue capability in Emergency Medical Services; more events and cultural programs in the Recreation Department; and enhanced rights-of-way services throughout the City. The City will not have to incur any



additional debt and will rely solely on current resources and designated fund balances to achieve all these enhancements.

Cash management policies and practices. In accordance with the applicable State Statutes, the City's investment policy is designed to effectively and prudently manage the investment of all City funds while ensuring the preservation of capital, maintaining sufficient liquidity, and maximizing investment earnings on the portfolio. Accordingly, deposits are invested in obligations of the U.S. Government, or obligations which are unconditionally guaranteed by the U.S. Government, money market mutual funds and highest rated private issuer commercial paper.

Cash temporarily idle during the year was invested in overnight deposits, money market funds, highest rated private issuer commercial paper, and U.S. Government Agency securities. The maturities of the investments varied between overnight to five years but averaged under two years, reflecting the need for liquidity combined with the unwillingness to invest for longer terms in a market characterized by increasing yields. In the General Fund, the investment results reached approximately \$640,000 which represent an average return of approximately 1.86%, a result achieved despite a dramatically low interest rate environment.

Risk management. The City also maintains a comprehensive package of insurance coverage to limit exposure to various risks of loss related to general liability, property and casualty, commission errors and omissions, workers' compensation, and unemployment compensation claims. All property is fully insured against fire, theft and natural disaster.

All coverages are underwritten by a nationally recognized commercial carrier. The City has in place formal programs for safety and a drug-free workplace which allows it to take advantage of preferred premium rates.

Pension and other post-employment benefits. The City provides its three employees with pensions through the International City Management Association Retirement Corporation. The City has no obligation in connection with employee pension benefits offered through this plan beyond its contractual payment of contributions.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Weston, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2003. This was the sixth consecutive year that the City of Weston received this award. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized



CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid only for a period of one year. We believe that our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City of Weston has also received the GFOA's Distinguished Budget Presentation Award for the fiscal year 2004. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document is judged to be proficient in several categories, including a policy document, a financial plan, and operations guide and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the many contract professionals of the City of Weston. We would like to express our appreciation to all those who assisted and contributed to the preparation of this report. Credit is also given to the Mayor and the Commissioners for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

Respectfully submitted,

John R. Flint
City Manager

James P. Ward
Assistant City Manager
Director of Treasury Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The City of Weston,
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

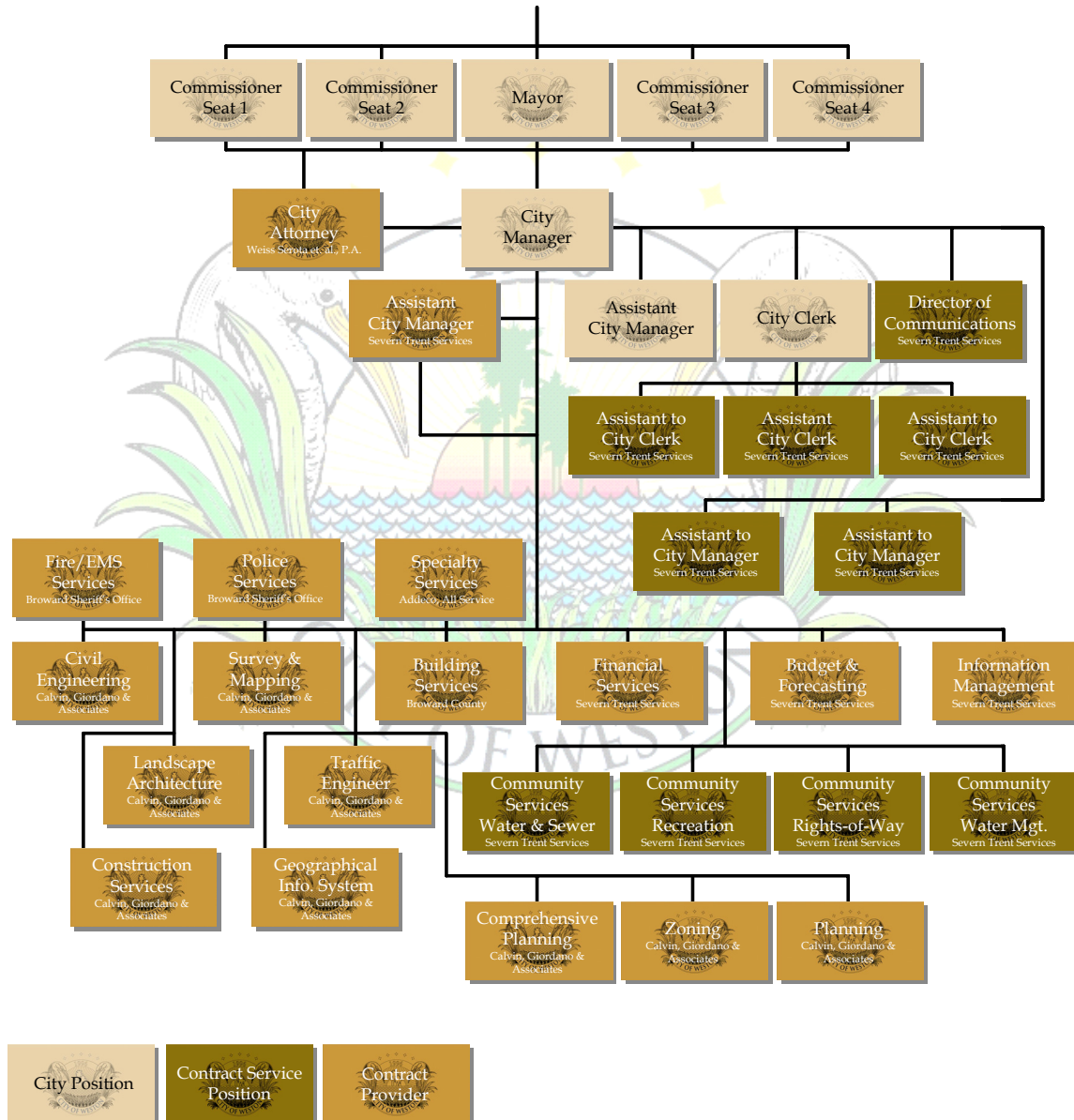


President

Executive Director

Organizational Chart

Residents of Weston



City Position designates personnel employed directly by the City.

Contract Service Position designates personnel who work exclusively for the City but are employed by Contract Service Providers.

Contract Provider designates services supplied by public and private entities engaged by the City under contracts to provide those services.

CITY OF WESTON, FLORIDA

CITY OFFICIALS

September 30, 2004

CITY COMMISSION

Eric M. Hersh, Mayor
Robin Bartleman, Commissioner
Barbara Herrera-Hill, Commissioner
Daniel J. Stermer, Commissioner
Murray Chermak, Commissioner

CITY MANAGER

John R. Flint

CITY CLERK

Patricia A. Bates, CMC

CITY ATTORNEY

Jamie A. Cole - Weiss Serota Helfman Pastoriza Guedes Cole & Boniske, P.A.

DIRECTOR OF TREASURY SERVICES

James P. Ward - Severn Trent Services

INDEPEDENT AUDITORS

Keefe, McCullough & Co., LLP
Certified Public Accountants & Consultants



KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. KEEFE, C.P.A.
JOHN E. McCULLOUGH, C.P.A. (RETIRED)
THOMAS T. CARPENTER, C.P.A.
PAUL B. SNEIDER, C.P.A. (RETIRED)
STEVEN H. WOODS, C.P.A.
DAVID T. WILLIAMS, C.P.A.

JOSEPH D. LEO, C.P.A.
WILLIAM G. BENSON, C.P.A.
BRIAN D. PINNELL, C.P.A.
KENNETH G. SMITH, C.P.A.
LOUIS R. PROIETTO, C.P.A.
CYNTHIA L. CALVERT, C.P.A.

CHRISTOPHER L. COLLINS, C.P.A.
CHARLES K. RUMPF, C.P.A.

ISRAEL J. GOMEZ, C.P.A.
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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Commission and City Manager
City of Weston, Florida
Weston, Florida

We have audited the accompanying financial statements of governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Weston, Florida (the City), as of and for the year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above, present fairly, in all material respects, the respective financial positions of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Weston, Florida at September 30, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, Indian Trace Development District and Fire District Special Revenue Funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2005, on our consideration of City of Weston's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by GASB. We applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

City of Weston, Florida

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of City of Weston, Florida taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The combining and individual fund statements and schedules and other financial information, as listed in the table of contents, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. All such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Keefe, McCullough & Co., LLP

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 7, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Weston, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal Year ended September 30, 2004. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

This report consists of government-wide statements, fund financial statements, notes to the financial statements, combining schedules of nonmajor funds and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as management and administration, legal, police, fire and emergency medical services, community development, recreation and public works. Business-type activities for the City are comprised of the water and sewer operations. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Financial Highlights

- The assets of the City of Weston exceeded its liabilities at the close of the most current fiscal year by \$276.7 million (net assets). Of this amount, \$79.0 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- During Fiscal Year 2004, revenues exceeded expenses after special item (Note 14) by \$6.5 million, which is the amount of the increase in the City's net assets.
- As of the close of Fiscal Year 2004, the City of Weston's governmental funds reported combined ending fund balances of \$64.9 million. Approximately 84.2% of that amount or \$54.6 million is available for spending at the City's discretion (unreserved fund balance).
- At the end of the most recent fiscal year, the fund balance in the General Fund was \$34.4 million, or 145% of total General Fund expenditures. In that same year, revenues exceeded expenditures by \$4.3 million or 18%.
- The City of Weston's total debt decreased by \$3 million or 19% with no new debt issued during the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Weston's basic financial statements. The financial section is one of the component parts of the Comprehensive Annual Financial Report along with the introductory section that includes the table of contents, transmittal letter, City organizational chart and listing of City

officials, the statistical section that includes various financial and non-financial information useful in assessing the City and the compliance section containing required reports on compliance and internal control over financial reporting and major Federal Awards programs.

The financial section consists of: management's discussion and analysis (this part), the basic financial statements, required supplementary information and an additional section that presents combining statements and schedules for nonmajor governmental funds. The basic financial statements include components that present different views on the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government –wide statements.
 - The governmental funds statements illustrate how general governmental functions and services are financed in the short-term as well as what remains for future spending.
 - The proprietary funds statements offer short-term and long-term financial information about the activities the government operates like a business, such as in case of the water and sewer system.
 - Finally the fiduciary funds statements provide information on the financial relationships where the government acts solely as a trustee or agent for the benefit of those outside of it.
- In addition to the government-wide and fund financial statements, basic financial statements also include notes to the financial statements that explain the numerical information in more detail and in a narrative form providing more detailed information.

The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Lastly, this report also provides a section with combining statements that detail the City's nonmajor governmental funds.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Weston's finances, in a manner similar to that of a private business. The statement of net assets presents information on all of the City of Weston's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Weston is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City of Weston that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Weston include general government, public safety, recreation, planning and zoning, fire rescue/emergency medical services, sanitation and streets. The business-type activities of the City of Weston include the water and sewer operations.

The government-wide financial statements include not only the City of Weston itself (known as the primary government), but also a legally separate homeowners association and two legally separate development districts for which the City of Weston is financially accountable. These component units function for all practical purposes as departments of the City of Weston, and therefore has been included as an integral part of the primary government.

The government-wide financial statements are reported on pages 20 and 21 of this report.

Fund financial statements. *A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Weston, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Weston can be divided into three categories: governmental funds, a proprietary fund and a fiduciary fund.*

Governmental funds. *Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.*

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Weston maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Indian Trace Development District Special Revenue Fund, The Town Foundation Special

Revenue Fund (The Town Foundation, Inc., although reported as part of the City's financial statements is a separate legal entity), Fire District Special Revenue Fund and Community Facilities Construction Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Weston adopts an annual appropriated budget for all governmental and proprietary funds except the Town Foundation, Roadway Improvement Note and the 2003 Bond Construction Fund. A budgetary comparison schedule has been provided for the General Fund, Indian Trace Development District Special Revenue Fund and Fire District Special Revenue Fund to demonstrate compliance with the budget as well as the special revenue, debt service and capital project nonmajor funds presented in the combining section.

The basic governmental funds financial statements can be found on pages 22 through 27 of this report.

Proprietary funds. The City of Weston maintains one proprietary fund, the Water and Sewer Enterprise Fund. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses its enterprise fund to account for water and sewer activities and services. The City has no internal service funds, which are funds used to accumulate and internally allocate costs between various government departments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City of Weston's Water and Sewer Enterprise Fund is considered a major fund and the basic financial statements for the fund are provided on pages 28 through 31 of this report.

Fiduciary funds. **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of this fund are not available to support the City of Weston's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The basic financial statements for the fiduciary funds of the City can be found on page 32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the City of Weston's adopted, amended and actual budgetary data for the General Fund and major individual special revenue funds. Required supplementary information can be found starting on pages 53 through 57 of this report.

The combining statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found starting on page 58 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. There are six basic transactions that affect the comparability of the Statement of Net Assets summary presentation as reflected below:

1. **Net results of activities** will impact (increase or decrease) current assets and unrestricted and/or restricted assets.
2. **Borrowing for capital** will increase current assets and long-term debt.
3. **Spending borrowed proceeds on new capital** will reduce current assets and increase capital assets. There is a second impact, an increase in investment in capital assets and an increase in related net debt, which will not change the investment in capital assets, net of debt.
4. **Spending of non-borrowed current assets on new capital** will reduce current assets and increase capital assets and will also reduce unrestricted net assets and increase investment in capital assets, net of debt.
5. **Principal payment on debt** will reduce current assets and reduce long-term debt and also reduce unrestricted net assets and increase investment in capital assets, net of debt.
6. **Reduction of capital assets through depreciation** will reduce capital assets and investment in capital assets, net of debt.

As illustrated in Table 1, at the close of the most recent fiscal year, assets of the City of Weston exceeded its liabilities by \$276.7 million. The largest portion of the City of Weston's net assets, \$190.7 million or 69.0%, is invested in capital assets (land, buildings, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens and consequently these assets are not available for future spending. Although the City of Weston's investment in its capital is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the liabilities.

The unrestricted net assets in an amount of \$79.0 million or 28.5% of total net assets represent the resources that are available to provide services and/or additional capital assets to the citizens of the City and also to meet the City's obligations to its creditors. The City also has approximately \$7 million or 2.5% of total net assets in restricted net assets, resources that are subject to external restrictions on how they may be used.

At the end of its most recent fiscal year, the City of Weston is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table 1
City of Weston
Net Assets
(in thousands of dollars)

	Governmental		Business-Type		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 71,161	\$ 77,939	\$ 23,766	\$ 22,199	\$ 94,927	\$ 100,139
Capital assets	178,316	167,516	25,113	25,680	203,429	193,196
Total assets	249,477	245,455	48,879	47,879	298,356	293,335
Long-term liabilities outstanding	9,394	10,939	350	710	9,744	11,649
Other liabilities	9,226	9,041	2,731	2,537	11,957	11,578
Total liabilities	18,620	19,980	3,081	3,247	21,701	23,227
Net assets:						
Invested in capital assets, net of related debt	166,308	147,624	24,393	24,631	190,701	172,255
Restricted	7,002	11,852	-	-	7,002	11,852
Unrestricted	57,547	65,999	21,405	20,003	78,952	86,001
Total net assets	\$ 230,857	\$ 225,475	\$ 45,799	\$ 44,633	\$ 276,656	\$ 270,108

There was a decrease of \$4.8 million in restricted net assets reported in connection with the City of Weston's governmental activities. The main reasons for the change was a transfer of excess construction funds into a component unit's debt service fund (Note 14 on page 49 for more information), spending of other construction funds on capital assets and restatements of prior year balances.

The government's net assets increased by \$6.5 million during the current fiscal year, with the entire increase due to current revenues outpacing current expenditures after special item (Note 14 on page 49 for more information).

Generally, the following impacts can significantly affect annual revenues and by extension change net assets:

1. **Economic conditions** can reflect a growing, stable or declining overall economic environment and those conditions can have a significant impact on property, non-ad valorem assessments, sales and use taxes, fees and other revenues derived from the community as well as received from other governments.
2. **Changes in tax, assessment and fee rates by the elected officials** directly affect the revenue streams and have the most direct and immediate impact of all changes.
3. **Changing patterns in intergovernmental and grant revenues** cause measurable deviations and make annual comparisons less than meaningful.
4. **Market impact on investment income** might cause investment revenues to fluctuate widely from year to year.

Some other basic impacts are responsible for changes in annual expenditures:

1. **Introduction of new programs** can have substantial impact on department/program expenditures by requiring new personnel, capital and operating funds.
2. **Changes in service levels** impacts expenditures by changing the levels of already appropriated expenditures.
3. **Salary/contract pricing increases** are an ever present factor contributing to the increase in appropriations. Most contracts entered into by the City of Weston have provisions for increases, either automatic or negotiated each year.
4. While **inflation** generally appears to be moderate, it still impacts the prices the City pays for commodities, supplies, fuel, parts and miscellaneous services it requires through the year. It is not uncommon that such goods may increase in price, thereby impacting expenditures.

As illustrated by Table 2: Change in Net Assets, the City's revenues during Fiscal Year 2004 were \$69.9 million and exceeded expenditures after special item (Note 14) by \$6.5 million. That same figure is also the amount of increase in the City's net assets.

Table 2
City of Weston
Changes in Net Assets
(in thousands of dollars)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program revenues						
Charges for services	\$ 24,338	\$ 25,834	\$ 15,551	\$ 15,061	\$ 39,889	\$ 40,895
Operating grants and contributions	944	414	-	-	944	414
Capital grants and contributions	1,886	8,633	1,164	402	3,050	9,035
General revenues					-	-
Property taxes	7,814	6,867	-	-	7,814	6,867
Other taxes	11,417	10,339	-	-	11,417	10,339
Intergovernmental	4,879	4,608	-	-	4,879	4,608
Investment income	1,047	2,008	416	789	1,464	2,797
Miscellaneous	131	347	269	181	401	528
Total revenues	52,457	59,049	17,401	16,433	69,858	75,482
Expenses						
General government	8,839	8,822	-	-	8,839	8,822
Public safety	14,357	16,301	-	-	14,357	16,301
Community development	2,264	3,616	-	-	2,264	3,616
Public works	11,025	6,006	-	-	11,025	6,006
Parks and recreation	4,941	3,840	-	-	4,941	3,840
Interest on long-term debt	362	404	82	119	443	523
Utilities	-	-	16,357	15,896	16,357	15,896
Total expenses	41,789	38,989	16,439	16,015	58,227	55,005
Excess before special item	10,669	20,060	962	418	11,631	20,477
Special item (Note 14)	(5,156)	-	-	-	(5,156)	-
Increase in net assets	5,512	20,060	962	418	6,474	20,477
Net assets at beginning of year	225,475	205,415	44,634	44,216	270,108	249,631
Net asset restatement (Note 17)	(130)	-	-	-	(130)	-
Prior period adjustments (Note 13)	-	-	203	-	203	-
Net assets at end of year	\$ 230,857	\$ 225,475	\$ 45,799	\$ 44,634	\$ 276,656	\$ 270,108

Governmental activities. Governmental activities represent approximately 18% of governmental net assets and 80% of total governmental revenues. Governmental revenues reached \$52.5 million and were comprised primarily of taxes at \$19.2 million or 36.7% of total governmental revenues, charges for services at \$24.3 million or approximately 46%, grants or contributions from property owners at \$2.8 or 5.4% of total, and intergovernmental revenues at \$4.9 million or approximately 9% of the total revenues. Program revenues are comprised of charges for services, operating grants and contributions and capital grants and contributions and represented about 52% or \$27.2 million of all revenues with the balance comprised of general revenues that fund all activities not covered by program revenues.

Figure A: City of Weston Fiscal Year 2004 Revenues by Source – Governmental Activities

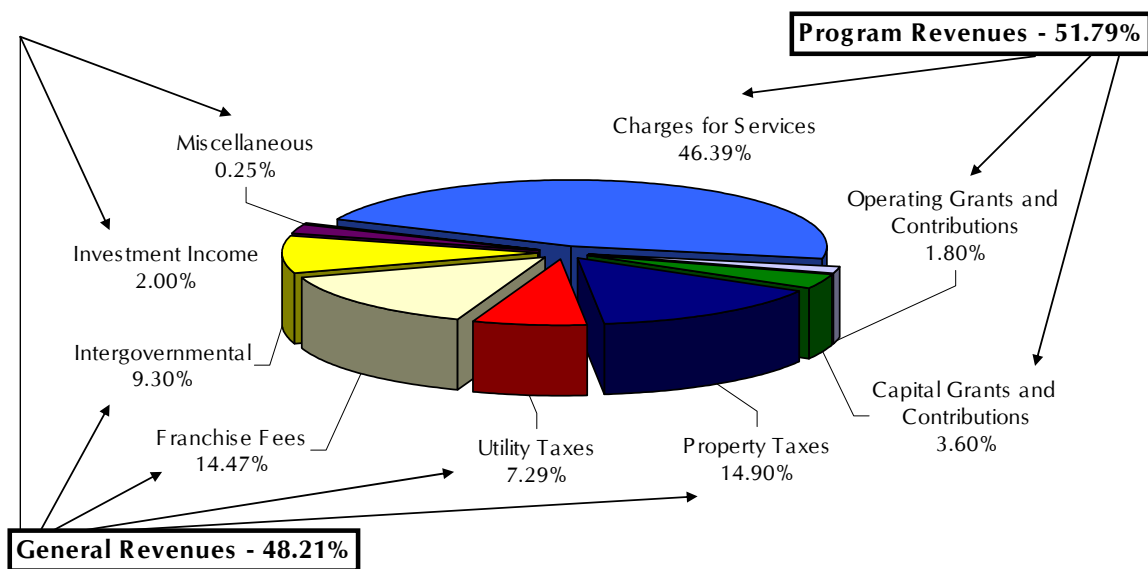
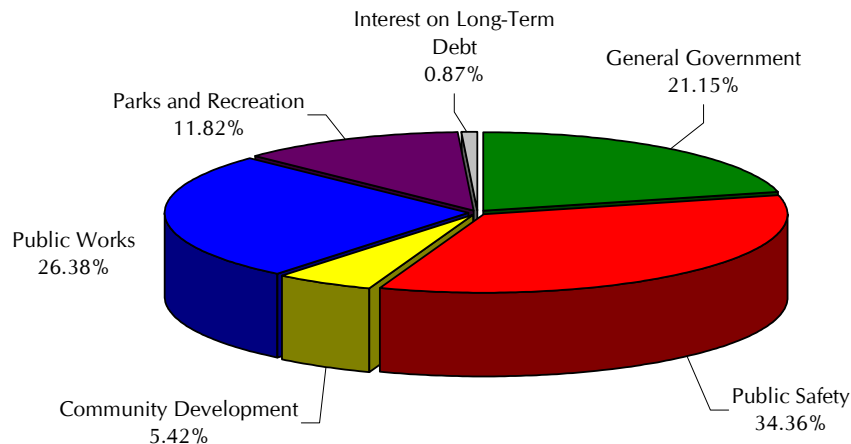
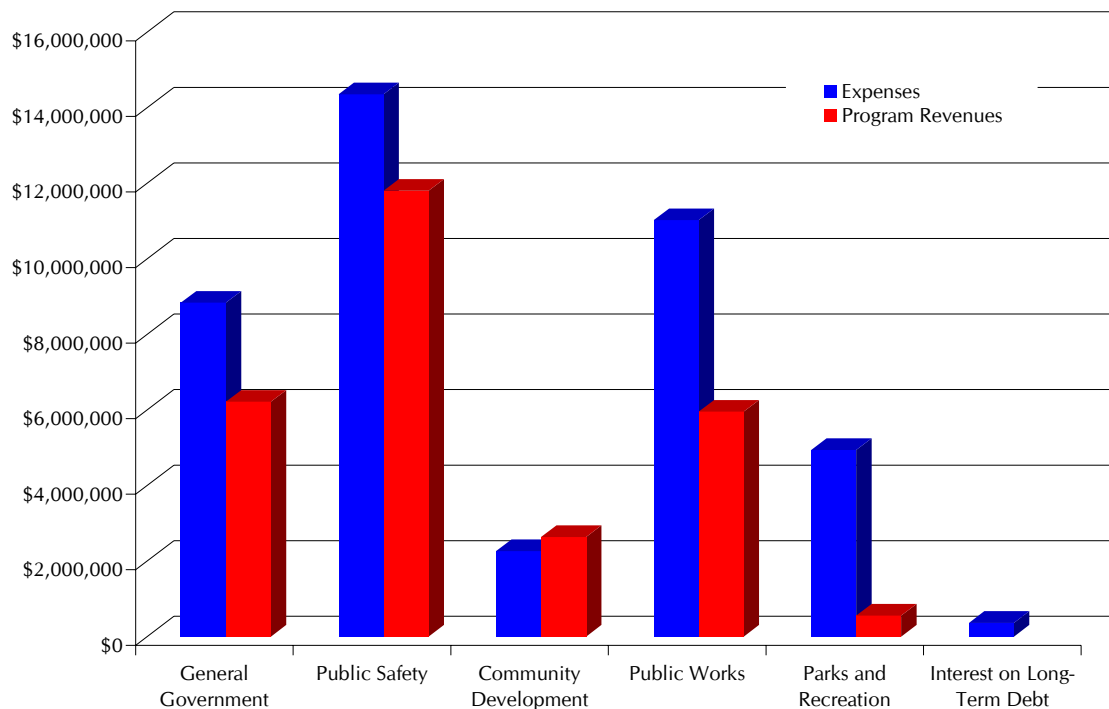


Figure B: City of Weston Fiscal Year 2004 Expenses by Function – Governmental Activities



Governmental activities increased the City of Weston's governmental net assets by \$5.5 million, net of special item (Note 14 on page 49 for more information). The increase is primarily due to current revenues exceeding current expenditures as capital outlay expenditures are not recognized at the governmental level.

Figure C: City of Weston Fiscal Year 2004 Expenses and Program Revenues - Governmental Activities

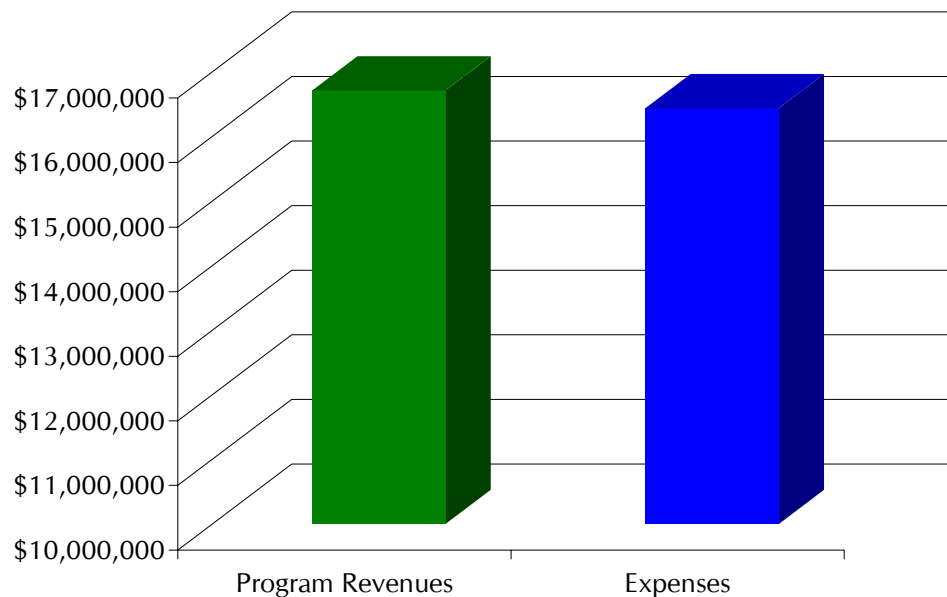


Expenses totaled \$41.8 million and were composed of public safety at \$14.4 million or 34.4% of total expenditures, general government at \$8.8 million or 21.2% of total expenditures and public works at \$11.0 million or 26.4% of total expenditures are major categories.

Business-type activities. Business-type activities increased the City's net assets by \$1,165,295 over the prior period including the prior period adjustment of \$203,080 (Note 13). At the end of Fiscal Year 2004, they comprised 16.6% of total government-wide net assets. For the most current fiscal year revenues totaled \$17.4 million and included operating revenues in the form of water and sewer fees, meter use fees, investment earnings, connection fees and miscellaneous revenue.

The largest component of the increase in the City's net assets in business-type activities is capital contributions – tap fees, which revenue source exceeded the original budget by \$439,231 or 79%. The balance of the increase is attributable to revenues in other categories exceeding expenditures.

**Figure D: City of Weston
Fiscal Year 2004 Expenses and Program Revenues – Business-type Activities**



Financial Analysis of the Government's Funds

As noted earlier, the City of Weston uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

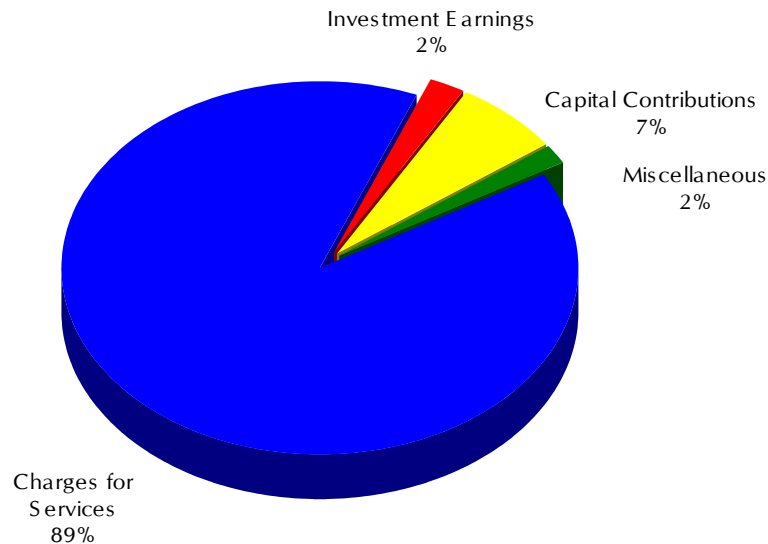
Governmental funds. The focus of the City of Weston's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City of Weston's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the most current fiscal year, the City of Weston's governmental funds reported combined ending fund balance of \$64.9 million, a decrease of \$8.0 million over the prior year. Approximately \$54.6 million or 84% of that amount is unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to 1) pay for construction and encumbrances (\$8.0 million) and 2) to pay for other restricted purposes (\$2.3 million). It is important to note that of the \$54.6 million in unreserved fund balance, \$33.7 million is available in the General Fund of the City, with the balance of \$20.9 million spread among special revenue, capital construction and other funds that have specific purposes within the City and that were set up to account for certain revenues that are legally restricted for specific purposes.

The General Fund is the chief operating fund of the City of Weston. At the end of Fiscal Year 2004, total fund balance reached \$34.4 million, all but \$709,522 unreserved.

As a measure of the General's Fund liquidity, it may be useful to compare both the unreserved fund balance and total fund balances to total fund expenditures. At the end of the current fiscal year, unreserved fund balance represented approximately 142% of expenditures.

Figure E: City of Weston
Fiscal Year 2004 Revenues by Source – Business-type Activities



The fund balance of the City of Weston's General Fund increased by \$4.5 million during the current year with total revenues increasing by 3.9% to \$28.1 million, expenditures increasing by 3.7% to \$23.8 million and other financing sources decreasing by 54.5% to \$201,427. Similarly to the previous period, actual revenues exceeded budgeted amounts. However, actual expenditures exceeded the budgeted allocations as well. Table 3 shows the comparison of actual revenues, expenditures and other financing sources for the General Fund for Fiscal Years 2003 and 2004.

The main changes in the General Fund revenue and expenditure levels between Fiscal Years 2003 and 2004 were:

- Tax revenues rose by more than \$1.1 million or 8.2% to over \$15 million as a result of healthy increases in property values and an increase in the use of services subject to franchise fees and utility taxes.
- Licenses and permits revenue increased by 14.9% to reflect higher revenues from occupational licenses.
- Intergovernmental revenues increased by 10.2% reflecting increases in the City's population and improving state economy that generates higher tax revenues.
- Charges for services decreased slightly to account for a slower rate of growth in the City.
- Infrastructure fees decreased to zero as the City did not receive any contributions from developers.

- *Investment income decreased sharply due to maturing investments having to be reinvested at substantially lower rates.*
- *Miscellaneous revenues increased by approximately \$414,000 as a result of a one-time refund of Broward County resource recovery fund surpluses and a reimbursement of solid waste request for proposal preparation costs by the winning bidder.*
- *General government decreased by 9.9% to primarily reflect a reclassification of crossing guard expenditures from general government to parks and recreation.*
- *Public safety expenditures rose 10.5% to reflect higher service levels, expanding service base with population growth and cost inflation.*
- *Community development expenditures declined 9.9% to account for the nearing buildout of the City.*
- *Public works declined 4.7% to reflect a renegotiated service contract for solid waste services that resulted in lower fees paid by Weston's residents and businesses.*
- *Park and recreation expenses increased 22.3% with the higher operating costs due to expansion of facilities and renovations of existing parks as well as reclassification of crossing guard expenditures from general government to parks and recreation.*
- *Capital outlay increased 10.6% with higher spending on general City infrastructure.*

Indian Trace Development District Special Revenue Fund of the City decreased its fund balance by \$1 million or approximately 7.8% to a total of \$12.2 million, all but \$871,917 unreserved. The Fund accounts for restricted resources used to provide water management and right-of-way services to the City.

Town Foundation Special Revenue Fund of the City increased its fund balance by \$130,235 or approximately 55% to a total of \$366,467, all of it unreserved. The Fund accounts for restricted resources used to provide cable television services to the City. Please note that the Town Foundation has a December 31 year end and therefore the information included in the financial statements is for the year ending December 31, 2003.

This is the first year that the Fire District Special Revenue Fund qualifies as a major fund. The fund balance for this fund at year end is \$1.5 million, with all but \$4,500 unreserved.

Community Facilities Construction Capital Projects Fund accounts for City-wide capital needs such as public safety and recreation. The fund experienced a decrease of \$4.4 million or 40% to a total of \$6.6 million. This decrease in fund balance is a result of continued spending to construct park facilities in the City. Of the fund balances in this fund, \$5.0 million is unreserved and the remaining \$1.6 million is reserved for previously signed construction commitments.

Table 3
City of Weston
Comparison of General Fund Revenues and Expenditures
for Fiscal Year 2004 and 2003
(in thousands of dollars)

	FY 2004	FY 2003	Increase/ (Decrease)	Percent Change
Revenues				
Taxes	15,418	14,246	1,172	8.2%
Licenses and permits	841	732	109	14.9%
Intergovernmental	4,402	3,996	406	10.2%
Charges for services	5,384	5,662	(278)	-4.9%
Fines and forfeitures	410	405	5	1.4%
Infrastructure fees	0	335	(335)	-100.0%
Investment income	640	1,172	(532)	-45.4%
Contributions from property owners	555	470	85	18.1%
Miscellaneous	438	23	414	1765.1%
Total revenues	28,087	27,040	1,046	3.9%
Expenditures				
General government	3,950	4,383	(433)	-9.9%
Public safety	7,858	7,114	744	10.5%
Community development	1,846	2,050	(204)	-9.9%
Public works	4,123	4,325	(202)	-4.7%
Parks and recreation	4,287	3,504	783	22.3%
Capital outlay	1,719	1,554	164	10.6%
Total expenditures	23,783	22,930	853	3.7%
Excess of revenues over expenditures	4,304	4,110	193	4.7%
Other Financing Sources (Uses)				
Transfers in	206	443	(237)	-53.5%
Transfers out	(5)	0	(5)	n/a
Total other financing sources	201	443	(241)	-54.5%
Net change in fund balance	\$ 4,505	\$ 4,553	\$ (48)	-1.1%

The City also maintains several non-major funds, including special revenue, capital projects and debt service funds used to account for street and right-of-way maintenance, water management, street lighting, capital improvements and debt service. The non-major funds of the City decreased their assets during Fiscal Year 2004 by \$6.9 million or approximately 42% principally as a result of capital spending on infrastructure construction.

Proprietary funds. *The City of Weston maintains only a single proprietary fund that is used to account for the operations of the water and sewer system. The statements of proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.*

Unrestricted net assets of the Water and Sewer Enterprise Fund increased by \$962,215 or 5% to a total of \$21.4 million. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

As required by City Charter, all contracts and major expenditures were approved by the City Commission. Nevertheless, as is customary for the City of Weston, adoption of the Fiscal Year 2005 Budget also involved the reconciliation of Fiscal Year 2004 budget to actual levels of revenues and expenditures by amending and restating the City's Fiscal Year 2004 budget ordinance.

The original General Fund budget anticipated a current resources surplus of \$1.4 million, which was to increase the unrestricted fund balance. The actual operating results of the City's General Fund resulted in a current resources surplus of \$3.9 million. Actual revenues exceeded budgeted revenues by \$3.1 million. The principal differences can be summarized as follows:

- *Electric utility taxes increased by \$315,083 over the budget, accounting for higher consumption of utilities.*
- *Grant revenues exceeded the budget by \$630,395 as grant reimbursement funds anticipated to be received in the previous fiscal year were delayed due to construction delays.*
- *Development review fees exceeded budget projections by \$595,656 due to an increase in miscellaneous permits for building and property improvements.*
- *Recycle fees exceeded budget by \$237,758 due to the higher reimbursement from Broward County due to much higher recycling rates in the City.*

Actual expenditures were higher than the original budget projections by \$607,500. The largest budget-to-actual variations included:

- *Hurricane cleanup expenses, which is part of the public works expenses, were \$742,065 and were not budgeted for.*
- *Police services expenditures were lower by \$487,955 to account for lower than expected costs escalation for the service.*
- *Community development expenses for professional services exceeded the budgeted amount by \$179,198 due to higher than expected utilization of planning, traffic engineering and landscaping architecture services by the City.*
- *Park and recreation expenses were lower by \$585,133 due mainly to the postponement in the construction of the Vista Park project and all additional operating costs associated with it.*

Capital Asset and Debt Administration

Capital assets. The City of Weston's investment in capital assets for its governmental and business-type activities, net of accumulated depreciation, as of September 30, 2004, totals \$203.4 million or 73.5% of total net assets. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. Table 4 presents the governmental and business-type capital assets by category for Fiscal Years 2003 and 2004.

During Fiscal Year 2004, the City has constructed or acquired significant capital assets. Major capital asset events during the Fiscal Year 2004 included the following:

- Construction of the Vista Park project at over \$5.2 million.
- Construction of various other park improvements valued at over \$1.2 million.
- Final phases of the Bonaventure Master Plan road, roadway drainage, irrigation, landscaping, signalization and signage improvements at a total project cost of \$5.6 million.
- Last stages of the Indian Trace water management and roadway improvements at over \$4 million.
- Various roadway and signage projects totaling over \$2.5 million.

Table 4
City of Weston
Capital Assets
(net of accumulated depreciation)
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 10,739	\$ 10,739	\$ -	-	\$ 10,739	\$ 10,739
Buildings	5,843	6,003	-	-	5,843	6,003
Machinery and equipment	406	474	44	45	450	519
Improvements other than buildings	153,739	144,204	24,877	24,673	178,616	168,877
Construction in progress	7,589	6,110	192	962	7,780	7,072
Total	\$ 178,316	\$ 167,530	\$ 25,113	\$ 25,680	\$ 203,429	\$ 193,210

Additional information on the City's capital assets can be found in Note 7 on pages 41 and 42 of this report.

Long-term debt. At the end of the current fiscal year, the City of Weston had total outstanding special assessment and revenue bonded debt totaling \$12.7 million. Of this amount, \$11.5 million are notes payable secured by franchise fees, \$464,602 is special assessment debt with governmental commitment for which the government is liable only in the event of default by the property owners and \$719,649 are revenue bonds after discount that is secured solely by specific revenue sources. The City has no general obligation debt or debt that is backed by the full faith and credit of the City of Weston.

The City of Weston's total debt decreased by \$3.0 million or 19% during the current fiscal year. The major reason for this decrease was that no new debt was issued in fiscal year 2004 and the required principal payments.

Table 5
City of Weston's Outstanding Debt
Note Payable, Special Assessment and Revenue Bonds
(in thousands of dollars)

	Governmental activities		Business-type activities		Total	
	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003
Notes payable	\$ 11,543	\$ 13,921	\$ -	\$ -	\$ 11,543	\$ 13,921
Special assessment debt	465	744	-	-	465	744
Revenue bonds	-	-	780	1,120	780	1,120
Less discount	-	-	(60)	(70)	(60)	(70)
Total	\$ 12,008	\$ 14,665	\$ 720	\$ 1,050	\$ 12,728	\$ 15,715

More detailed information about the City's long-term liabilities is presented in Note 9 on pages 43 through 45 of this report.

Economic Factors and Next Year's Budget and Rates

The City of Weston notices a continued improvement in the general economic climate facing the City during Fiscal Year 2005. With a stronger job market and a continued strength in the real estate market, the City sees its most current revenues increase in most categories above the projected levels. The only downward trend exists in the revenues attributable to new construction, as the City's buildout is proceeding rapidly impacting the revenues derived from licenses and fees connected with new construction.

As other local governments in the State of Florida, the City relies on the combination of property taxes, sales and use taxes, licenses and fees, intergovernmental shared revenue and some miscellaneous revenues to fund its governmental activities. For the business-type and certain governmental activities (building inspections, recreational programs, etc.) the user pays a related fee or charge associated with the service.

Revenues for the Fiscal Year 2005 adopted General Fund budget total approximately \$28.1 million, an increase of approximately 14% over Fiscal Year 2004. A large increase (over 12%) is in the area of property taxes, with property taxes, solid waste franchise fees and simplified communications tax leading the way. Property tax increases are primarily due to the increase in taxable real estate property valuations, increase in solid waste franchise fee rate and the increase in budgeted simplified communications taxes that have consistently exceeded prior lower projections. Another increase is in the area of intergovernmental revenue (over 17%). This increase is due to the change in the state's allocation formula as well as an anticipated increase in overall tax receipts.

Such large increases are expected to be tempered by significant decreases in development fees and building permit revenues due to the City's buildout.

Fiscal Year 2005 budgeted expenditures are set at a total of approximately \$26 million, an increase of prior year's allocations by approximately 9% or \$2.2 million. The major changes occur in public safety which increased by approximately \$1.1 million to reflect higher staffing and cost escalation, approximately \$300,000 in increases in the City Manager department to fund public relations, elections, and cost-of-living adjustments, approximately \$300,000 in increases in community services to reflect increased operating costs for the City's recreation infrastructure and expenditures on capital items.

If these budgetary projections are realized, the City's General Fund fund balance will increase by approximately \$2 million.

Requests for Information

This financial report is designed to provide a general overview of the City of Weston's finances for all those with an interest in this government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City of Weston, 2500 Weston Road, Suite 101, Weston, Florida 33331.

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BASIC FINANCIAL STATEMENTS

CITY OF WESTON, FLORIDA

STATEMENT OF NET ASSETS

September 30, 2004

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 55,233,554	\$ 17,581,151	\$ 72,814,705
Receivables	3,111,738	968,759	4,080,497
Due from other governments	920,036	--	920,036
Net investment in direct financing lease	--	780,000	780,000
Restricted assets	11,892,866	4,356,154	16,249,020
Deferred charges and other assets	3,156	80,040	83,196
Capital assets (net of accumulated depreciation):			
Land	10,739,199	--	10,739,199
Buildings	5,843,354	--	5,843,354
Improvements other than buildings	--	24,877,229	24,877,229
Machinery and equipment	405,722	44,333	450,055
Infrastructure	153,738,638	--	153,738,638
Construction in progress	7,588,848	191,563	7,780,411
Total assets	<u>249,477,111</u>	<u>48,879,229</u>	<u>298,356,340</u>
LIABILITIES:			
Accounts payable and other current liabilities	4,774,466	47,002	4,821,468
Due to other governments	--	654,124	654,124
Accrued interest payable	163,021	--	163,021
Security deposits	921,770	--	921,770
Payable from restricted assets	609,414	1,659,874	2,269,288
Noncurrent liabilities:			
Due within one year	2,757,228	370,000	3,127,228
Due in more than one year	9,394,228	349,649	9,743,877
Total liabilities	<u>18,620,127</u>	<u>3,080,649</u>	<u>21,700,776</u>
NET ASSETS:			
Invested in capital assets, net of related debt	166,307,694	24,393,476	190,701,170
Restricted for:			
Construction	3,033,215	--	3,033,215
Maintenance	3,969,113	--	3,969,113
Unrestricted	57,546,962	21,405,104	78,952,066
Total net assets	\$ <u><u>230,856,984</u></u>	\$ <u><u>45,798,580</u></u>	\$ <u><u>276,655,564</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2004

FUNCTIONS/PROGRAMS:	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 8,839,265	\$ 5,624,594	\$ 593,652	\$ --	\$ (2,621,019)	\$ --	\$ (2,621,019)
Public safety	14,356,677	11,790,210	--	11,364	(2,555,103)	--	(2,555,103)
Community development	2,264,049	1,349,831	--	1,284,850	370,632	--	370,632
Public works	11,025,247	5,091,290	350,018	514,737	(5,069,202)	--	(5,069,202)
Parks and recreation	4,941,431	481,772	--	75,379	(4,384,280)	--	(4,384,280)
Interest on long-term debt	361,879	--	--	--	(361,879)	--	(361,879)
Total government activities	41,788,548	24,337,697	943,670	1,886,330	(14,620,851)	--	(14,620,851)
Business-type activities:							
Water and sewer	16,438,571	15,550,904	--	1,164,163	--	276,496	276,496
Total business-type activities	16,438,571	15,550,904	--	1,164,163	--	276,496	276,496
Total government	\$ 58,227,119	\$ 39,888,601	\$ 943,670	\$ 3,050,493	(14,620,851)	276,496	(14,344,355)
General revenues:							
Property taxes					7,814,286	--	7,814,286
Utilities taxes					3,824,977	--	3,824,977
Franchise taxes					7,592,385	--	7,592,385
Intergovernmental					4,879,282	--	4,879,282
Investment income					1,047,103	416,429	1,463,532
Miscellaneous					131,419	269,290	400,709
Total general revenues					25,289,452	685,719	25,975,171
Special item (Note 14)					(5,156,372)	--	(5,156,372)
Change in net assets					5,512,229	962,215	6,474,444
Net assets at beginning of year, as restated (Note 17)					225,344,755	44,633,285	269,978,040
Prior period adjustment (Note 13)					--	203,080	203,080
Net assets at end of year					\$ 230,856,984	\$ 45,798,580	\$ 276,655,564

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2004

		Special Revenue Funds	
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, 2003)
ASSETS:			
Cash and investments	\$ 34,588,609	\$ 12,529,191	\$ 790,251
Receivables:			
Accounts	1,457,430	453	1,186,418
Interest	90,278	29,731	--
Prepays	3,156	--	--
Due from other governments	920,036	--	--
Restricted assets:			
Cash and investments	--	--	--
Interest receivable	--	--	--
Total assets	\$ 37,059,509	\$ 12,559,375	\$ 1,976,669
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 1,450,795	\$ 331,938	\$ 1,610,202
Accrued payroll	32,078	--	--
Unearned revenue	245,549	--	--
Retainage payable	45,908	31,966	--
Payable from restricted assets	--	--	--
Security deposits	921,770	--	--
Total liabilities	2,696,100	363,904	1,610,202
Fund balances:			
Reserved for:			
Maintenance	--	--	--
Construction	--	--	--
Encumbrances	709,522	871,917	--
Unreserved/reported in:			
General Fund	33,653,887	--	--
Special Revenue Funds	--	11,323,554	366,467
Debt Service Fund	--	--	--
Capital Projects Funds	--	--	--
Total fund balances	34,363,409	12,195,471	366,467
Total liabilities and fund balances	\$ 37,059,509	\$ 12,559,375	\$ 1,976,669

The accompanying notes to the financial statements are an integral part of these statements.

Special Revenue Funds Fire District	Capital Projects Fund Community Facilities Construction	Other Non-major Governmental Funds	Total Governmental Funds
\$ —	\$ 5,907,538	\$ 1,417,965	\$ 55,233,554
4,607	323,162	7	2,972,077
—	18,123	1,529	139,661
—	—	—	3,156
—	—	—	920,036
1,564,544	1,370,444	8,753,091	11,688,079
<u>3,571</u>	<u>—</u>	<u>201,216</u>	<u>204,787</u>
\$ <u><u>1,572,722</u></u>	\$ <u><u>7,619,267</u></u>	\$ <u><u>10,373,808</u></u>	\$ <u><u>71,161,350</u></u>
\$ —	\$ 609,546	\$ 40,280	\$ 4,042,761
—	—	—	32,078
—	—	—	245,549
—	391,399	—	469,273
24,590	—	584,824	609,414
<u>—</u>	<u>—</u>	<u>—</u>	<u>921,770</u>
<u>24,590</u>	<u>1,000,945</u>	<u>625,104</u>	<u>6,320,845</u>
—	—	2,287,230	2,287,230
—	—	1,306,247	1,306,247
4,500	1,637,690	3,433,920	6,657,549
—	—	—	33,653,887
1,543,632	—	1,511,414	14,745,067
—	—	367,668	367,668
<u>—</u>	<u>4,980,632</u>	<u>842,225</u>	<u>5,822,857</u>
<u>1,548,132</u>	<u>6,618,322</u>	<u>9,748,704</u>	<u>64,840,505</u>
\$ <u><u>1,572,722</u></u>	\$ <u><u>7,619,267</u></u>	\$ <u><u>10,373,808</u></u>	\$ <u><u>71,161,350</u></u>

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CITY OF WESTON, FLORIDA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

September 30, 2004

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS IN THE BALANCE SHEET, PAGE 23	\$ 64,840,505
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	185,070,409
Less: Accumulated depreciation	(6,754,648)
Accrued interest payable not reported in the governmental funds	(163,021)
Compensated absences not reported in the governmental funds	(128,194)
Notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	<u>(12,008,067)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES, PAGE 20	\$ <u><u>230,856,984</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2004

		Special Revenue Funds	
	General Fund	Indian Trace Development District	Town Foundation (As of December 31, 2003)
REVENUES:			
Taxes	\$ 15,418,058	\$ 6,462,222	\$ --
Licenses and permits	840,778	--	--
Intergovernmental	4,401,598	50,000	--
Charges for services	5,383,959	--	4,373,769
Fines and forfeitures	410,047	--	--
Investment income	639,770	209,332	4,456
Contributions from property owners	554,850	--	--
Miscellaneous	437,654	6,643	60,284
Total revenues	<u>28,086,714</u>	<u>6,728,197</u>	<u>4,438,509</u>
EXPENDITURES:			
Current:			
Public safety	7,858,361	1,204,659	--
General government	3,949,894	497,623	4,308,274
Public works	4,122,620	4,831,848	--
Parks and recreation	4,287,108	--	--
Community development	1,846,316	95,156	--
Capital outlay	1,718,508	1,133,235	--
Debt service:			
Principal	--	--	--
Interest and fiscal charges	--	--	--
Total expenditures	<u>23,782,807</u>	<u>7,762,521</u>	<u>4,308,274</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,303,907</u>	<u>(1,034,324)</u>	<u>130,235</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	206,090	--	--
Transfers out	(4,663)	--	--
Total other financing sources (uses)	<u>201,427</u>	<u>--</u>	<u>--</u>
Special item (Note 14)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>4,505,334</u>	<u>(1,034,324)</u>	<u>130,235</u>
Fund balances at beginning of year, as restated (Note 17)	<u>29,858,075</u>	<u>13,229,795</u>	<u>236,232</u>
Fund balances at end of year	\$ <u><u>34,363,409</u></u>	\$ <u><u>12,195,471</u></u>	\$ <u><u>366,467</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

Special Revenue Funds <u>Fire District</u>	Capital Projects Fund <u>Community Facilities Construction</u>	Other Non-major Governmental Funds <u>Funds</u>	Total Governmental Funds <u>Funds</u>
\$ 5,327,988	\$ 3,416,243	\$ 1,596,043	\$ 32,220,554
—	—	—	840,778
—	—	1,458,097	5,909,695
—	—	—	9,757,728
—	—	—	410,047
29,031	75,099	89,415	1,047,103
—	730,000	514,737	1,799,587
<u>23,767</u>	<u>—</u>	<u>418</u>	<u>528,766</u>
<u>5,380,786</u>	<u>4,221,342</u>	<u>3,658,710</u>	<u>52,514,258</u>
5,150,701	—	—	14,213,721
17,320	984	11,311	8,785,406
21,391	—	1,197,798	10,173,657
—	112,531	—	4,399,639
—	—	310,479	2,251,951
183,769	5,802,972	3,504,276	12,342,760
—	2,377,388	279,461	2,656,849
<u>—</u>	<u>363,500</u>	<u>32,214</u>	<u>395,714</u>
<u>5,373,181</u>	<u>8,657,375</u>	<u>5,335,539</u>	<u>55,219,697</u>
<u>7,605</u>	<u>(4,436,033)</u>	<u>(1,676,829)</u>	<u>(2,705,439)</u>
—	4,663	478,073	688,826
<u>(106,090)</u>	<u>—</u>	<u>(578,073)</u>	<u>(688,826)</u>
<u>(106,090)</u>	<u>4,663</u>	<u>(100,000)</u>	<u>—</u>
<u>—</u>	<u>—</u>	<u>(5,156,372)</u>	<u>(5,156,372)</u>
(98,485)	(4,431,370)	(6,933,201)	(7,861,811)
<u>1,646,617</u>	<u>11,049,692</u>	<u>16,681,905</u>	<u>72,702,316</u>
\$ <u>1,548,132</u>	\$ <u>6,618,322</u>	\$ <u>9,748,704</u>	\$ <u>64,840,505</u>

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CITY OF WESTON, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2004

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF
ACTIVITIES (PAGE 21) ARE DIFFERENT BECAUSE:

Net change in fund balances - total governmental funds, page 26	\$ (7,861,811)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as provision for depreciation. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlay	12,242,103
Provision for depreciation	(1,456,266)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(57,109)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal payments	2,656,849
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest payable	33,835
Compensated absences	<u>(45,372)</u>
Change in net assets of governmental activities, page 21	\$ <u><u>5,512,229</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA

STATEMENT OF NET ASSETS - PROPRIETARY FUND

September 30, 2004

Business-Type
Activities
Enterprise Fund
Water and Sewer

ASSETS:

Current assets:

Cash and investments

\$ 17,581,151

Receivables:

Accounts

929,923

Interest

38,836

Deferred charges

80,040

Restricted assets:

Cash and investments

4,330,193

Interest receivable

25,961

Total current assets

22,986,104

Noncurrent assets:

Net investment in direct financing lease

780,000

Capital assets:

Machinery and equipment

144,330

Improvements other than buildings

34,433,131

Construction-in-progress

191,563

Total capital assets

34,769,024

Less: accumulated depreciation

9,655,899

Total capital assets - net

25,113,125

Total noncurrent assets

25,893,125

Total assets

48,879,229

LIABILITIES:

Current liabilities:

Accounts payable

47,002

Due to other governments

654,124

Current liabilities payable from restricted assets:

Customer deposits

1,634,524

Accrued interest payable

25,350

Total current liabilities

2,361,000

Noncurrent liabilities:

Bonds payable, net of applicable bond discounts of \$ 60,351

719,649

Total liabilities

3,080,649

NET ASSETS:

Invested in capital assets, net of related debt

24,393,476

Unrestricted

21,405,104

Total net assets

\$ 45,798,580

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUND

For the Year Ended September 30, 2004

	Business-Type Activities Enterprise Fund <u>Water and Sewer</u>
OPERATING REVENUES:	
Water and sewer fees	\$ 15,330,812
Meter use fees	220,092
Miscellaneous	<u>269,290</u>
Total operating revenues	<u>15,820,194</u>
OPERATING EXPENSES:	
Water and sewer charges	14,768,019
Meter expense	38,625
Provision for depreciation	890,019
Provision for amortization	23,399
Administrative services	413,622
Other operating expense	<u>223,312</u>
Total operating expenses	<u>16,356,996</u>
Operating loss	<u>(536,802)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment income	416,429
Interest expense	<u>(81,575)</u>
Total nonoperating revenues	<u>334,854</u>
Income before contributions	<u>(201,948)</u>
Contributions - tap fees	995,731
Contributions - developer	<u>168,432</u>
	<u>1,164,163</u>
Change in net assets	962,215
Prior period adjustment (Note 13)	203,080
NET ASSETS AT BEGINNING OF YEAR	<u>44,633,285</u>
NET ASSETS AT END OF YEAR	\$ <u><u>45,798,580</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the Year Ended September 30, 2004

	Business-Type Activities Enterprise Fund Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 15,880,391
Payments to suppliers	<u>(15,420,663)</u>
Net cash provided by operating activities	<u>459,728</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(154,351)
Principal payments on bonds	(340,000)
Direct financing lease payments received	340,000
Interest paid	(74,425)
Developer contributions received	<u>995,731</u>
Net cash provided by capital and related financing activities	<u>766,955</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(4,588,614)
Investment income received	<u>407,470</u>
Net cash flows used in investing activities	<u>(4,181,144)</u>
Net decrease in cash and cash equivalents	(2,954,461)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR, as restated	<u>5,574,412</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>2,619,951</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (536,802)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Provision for depreciation	890,021
Provision for amortization	23,399
(Increase) Decrease in Operating Assets:	
Accounts receivable	(73,800)
Increase (Decrease) in Operating Liabilities:	
Accounts payable	22,913
Customer deposits	<u>133,997</u>
Total adjustments	<u>996,530</u>
Net cash provided by operating activities	\$ <u><u>459,728</u></u>
NONCASH INVESTING ACTIVITIES:	
Change in fair value of investments	\$ <u><u>97,989</u></u>

CITY OF WESTON, FLORIDA

STATEMENT OF CASH FLOWS - PROPRIETARY FUND (continued)

For the Year Ended September 30, 2004

THE FOLLOWING IS A RECONCILIATION
OF CASH AND CASH EQUIVALENTS FOR
THE ENTERPRISE FUND:

	Cash and Cash Equivalents on Cash Flows	Other Investments	Statement of Net Assets Total
Cash and investments	\$ <u> — </u>	\$ <u> 17,581,151 </u>	\$ <u> 17,581,151 </u>
Restricted assets	\$ <u> 2,619,951 </u>	\$ <u> 1,710,242 </u>	\$ <u> 4,330,193 </u>

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUND

September 30, 2004

A S S E T S

Agency
Fund

RESTRICTED ASSETS:
Investments

\$ 8,615,213

L I A B I L I T I E S

PAYABLE FROM RESTRICTED ASSETS:
Payable to bond holders

\$ 8,615,213

The accompanying notes to the financial statements are an integral part of these statements.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 1 - ORGANIZATION AND OPERATIONS

City of Weston, Florida (the "City") is a municipal corporation governed by an elected Mayor and a four-member commission providing the following services: general government; public safety; community development; public works' and parks and recreation. Additional services provided by the City are subcontracted (Note 12) such as : water and sewer services; emergency medical and fire services; police services; and engineering services. The City was incorporated pursuant to the constitution and laws of the State of Florida in September 1996 when the qualified electors voted in favor of incorporation of the City and approved the Charter.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the City and its blended component units, entities for which the City is considered to be financially accountable, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The City is financially accountable if the City Commission appoints a voting majority of an organization's governing body and it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial burdens on the City. Blended component units, although legally separate entities are in substance, part of the City's operations and so data from its unit is combined with data of the primary government.

Blended Component Units

Indian Trace Development District (the "ITDD") is a blended component unit. The ITDD was formed in 1975 by a Broward County Ordinance and in 1981 was reestablished pursuant to Chapter 190 of the Florida Statutes as an independent, special taxing district in Broward County, Florida, to provide facilities for water and sewer, water management and control, roads and other public improvements. The ITDD's boundaries exclude the community of Bonaventure. The ITDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on the ITDD. The ITDD has its own budget and taxing power. The operations and assets of the ITDD are reflected in the Indian Trace Development District Special Revenue Fund, the 1997 and 2003 Bond Construction Capital Project Funds, the Water and Sewer Enterprise Fund, and the Agency Fund. The component unit has a September 30 year end. There were no separately issued financial statements for the component unit.

Bonaventure Development District ("BDD") is a blended component unit. BDD was created on December 21, 1998, however, was inactive until June 30, 2001 when the Florida Legislature dissolved West Lauderdale Water Control District and transferred all of the assets of the former to BDD. Bonaventure Development District provides water management and control, roads and other public improvements. BDD is governed by a board comprised of the City Commission and therefore the City has the ability to impose its will on BDD. BDD has its own budget and taxing power. The operations and assets of BDD are reflected in Bonaventure Development District and Rights of Way, Special Revenue Funds, Bonaventure Capital Project Fund, and the Agency Fund. The component unit has a September 30 year end. There were no separately issued financial statements for the component unit.

Town Foundation became a component unit of City of Weston on April 30, 2003, when the members of the City Commission became the Board of Directors of the Foundation. Town Foundation provides cable services to certain residents of the City. The Component unit has a December 31, year end and therefore the information presented is for the year ending December 31, 2003.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Special Revenue Funds (Indian Trace Development District, Town Foundation, and Fire District) account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). Indian Trace Development District accounts for the maintenance of the water management system within the boundaries of Indian Trace Development District. Fire District is used to account for fire protection services of the entire City. Town Foundation provides cable services to certain residents of the City.

The Capital Project Fund (Community Facilities Construction) accounts for the acquisition of equipment and construction of major capital projects not being financed by proprietary funds. The Community Facilities Construction Fund accounts for infrastructure projects from note proceeds.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City reports the following major proprietary fund:

Enterprise Fund - used to account for the water and sewer operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing services are generally recovered through user charges.

Additionally, the government reports the following fund type:

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds and is included in other governmental funds.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government, if applicable. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are charges to customers for sales and services. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and provision for depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenues or expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The City's investments policy permits investment or reinvestment of the City's funds primarily in 1) bonds, debentures, notes or other indebtedness to the extent that such obligations are guaranteed by the Government National Mortgage Association, 2) obligations of the United States Government or obligations which are unconditionally guaranteed by the United States Government, 3) certificates of deposit and savings accounts, in approved depositories, 4) the Local Government Surplus Funds Trust Fund administered by the Florida State Board of Administration, 5) direct obligations of the United States Treasury, 6) securities of, or other interest in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 7) repurchase agreement secured or collateralized by Federal Government obligations, 8) money market funds, and 9) commercial paper.

Investments are carried at fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized.

2. Receivables and Payables

No interfund amounts were outstanding as of September 30, 2004.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/due from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied and are recognized as receivables on October 1 of each year. Ad-valorem property taxes are based on property value. Non ad-valorem property taxes are based on per unit. The tax bill may be paid at declining discounts from November through February. All unpaid taxes become delinquent on April 1 of the year following the year in which taxes were levied and are subject to the issuance of tax sale certificates as of June 1. Broward County bills and collects all property taxes for the City.

3. Prepays

Prepays are recorded as assets when the initial payment is made. Each asset is then charged off against operations in the period benefitted. These amounts are reserved in the governmental fund financial statements.

Security deposits represent deposits and bonds held for customers and developers.

4. Restricted Assets (Note 5)

Certain proceeds of the City's bond resolutions, as well as certain resources set aside for their repayment, are classified as restricted assets because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The cash with fiscal agent category represents debt service funds held by a third party until payments are made to bondholders. The maintenance account is used to report revenues that are legally restricted to expenditures for specific purposes. Amounts held from property owners are held for future payment of special benefit assessment bond principal and interest payments. Customer deposits are classified as restricted assets because they are held on behalf of the customer. The sinking fund account is used to segregate resources accumulated for debt service payments over the next twelve months. The reserve account is used to report resources set aside to meet applicable bond requirements related to the enterprise fund. The construction account is used to report those proceeds of bond issuances that are restricted for use in construction of certain water, sewer and water management.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Interest costs incurred in connection with capital assets net of interest earned on the invested proceeds over the same period were immaterial.

GASB No. 34 required the City to report and depreciate new infrastructure assets effective September 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City. Neither their historical cost nor related depreciation had historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006. The City implemented the general provisions of GASB No. 34 during the fiscal year ended September 30, 2003; however, elected to implement the retroactive infrastructure provisions by the fiscal year ending September 30, 2007.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	15-40 years
Infrastructure	40 years
Machinery and equipment	5-7 years

6. Compensated Absences

It is the City's policy to permit its three employees to accumulate amounts of earned but unused vacation and sick pay benefits. There are no employees in the proprietary fund. Vacation and sick pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the General Fund. As of September 30, 2004, the amount accrued in the General Fund was \$ 15,195, which is expected to be paid from current resources. Additionally, the amount accrued in the statement of net assets was \$ 128,194, which is expected to be paid from future resources.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable is reported net of the applicable bond discounts. Bond issuance costs are reported as deferred charges and amortized over the life of the bonds using the straight-line method.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, government funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific future purpose. Designations of fund balance represent tentative management plans that are subject to change. Restrictions of proprietary fund net assets are limited to outside third-party restrictions.

9. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the government's carrying amount of deposits was \$ 8,435,809, and the bank balance was \$ 12,266,350. Monies which are placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All the public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act" ("the Act"). In addition to insurance provided by the Federal Depositary Insurance Corporation (FDIC), demand deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balances of all public deposits, times the depository's collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. All deposits are Category 1 credit risk.

Investments

Certain investments are required to be categorized to give an indication of the level of credit risk assumed by the City. The three categories of risk as defined by Government Accounting Standards Board (GASB) Statement No. 3 are as follows:

1. Insured or registered, or securities held by the entity or its agent in the City's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name; and
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Investments as of September 30, 2004 were as follows:

	Category			Reported Amount Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>	
United States Government and Agency Securities	\$ 61,863,449	\$ 2,238,034	\$ --	\$ 64,101,483
Commercial Paper	<u>7,116,094</u>	<u>1,295,419</u>	<u>--</u>	<u>8,411,513</u>
Total	\$ <u>68,979,543</u>	\$ <u>3,533,453</u>	\$ <u>--</u>	\$ <u>72,512,996</u>

A reconciliation of cash and investments as shown on the statement of net assets and the investment table above is as follows:

	<u>Cash</u>	<u>Cash Equivalents</u>	<u>Investments</u>	<u>Receivables</u>	<u>Total</u>
Cash, cash equivalents and investments	\$ 4,406,892	\$ 4,079,804	\$ 64,328,009	\$ --	\$ 72,814,705
Restricted assets	<u>4,028,917</u>	<u>12,419,581</u>	<u>8,184,987</u>	<u>230,748</u>	<u>24,864,233</u>
	\$ <u>8,435,809</u>	\$ <u>16,499,385</u>	\$ <u>72,512,996</u>	\$ <u>230,748</u>	\$ <u>97,678,938</u>

	<u>Investments</u>	<u>Restricted Investments</u>
General Fund	\$ 31,223,843	\$ --
Special Revenue Funds:		
Fire District	--	498,863
Indian Trace Development District	10,700,976	--
Capital Projects Funds:		
Community Facilities Construction	4,174,366	--
Other governmental funds	<u>647,672</u>	<u>3,385,419</u>
	46,746,857	3,884,282
Agency Fund	--	2,590,464
Enterprise Fund	<u>17,581,152</u>	<u>1,710,241</u>
Total	\$ <u>64,328,009</u>	\$ <u>8,184,987</u>

NOTE 4 - RECEIVABLES

Receivables as of year end are as follows:

	<u>General</u>	<u>Indian Trace Development District</u>	<u>Special Revenue Town Foundation</u>	<u>Fire District</u>	<u>Capital Projects Community Facilities Construction</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Proprietary Fund Enterprise Fund</u>
Receivables:								
Interest	\$ 1,457,430	\$ 453	\$ 1,186,418	\$ 4,607	\$ 323,162	\$ 7	\$ 2,972,077	\$ 929,923
Accounts	<u>90,278</u>	<u>29,731</u>	<u>--</u>	<u>--</u>	<u>18,123</u>	<u>1,529</u>	<u>139,661</u>	<u>38,836</u>
	1,547,708	30,184	1,186,418	4,607	341,285	1,536	3,111,738	968,759
Restricted:								
receivables	--	--	--	3,571	--	201,216	204,787	25,961
Interest	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,571</u>	<u>--</u>	<u>201,216</u>	<u>204,787</u>	<u>25,961</u>
Total	\$ <u>1,547,708</u>	\$ <u>30,184</u>	\$ <u>1,186,418</u>	\$ <u>8,178</u>	\$ <u>341,285</u>	\$ <u>202,752</u>	\$ <u>3,316,525</u>	\$ <u>994,720</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 4 - RECEIVABLES (continued)

There was no allowance for uncollectibles necessary for these receivables as of September 30, 2004.

NOTE 5 - RESTRICTED ASSETS

Restricted assets at September 30, 2004, consist of the following:

	Special Revenue Fund Fire District	Capital Projects Fund Community Facilities Construction	Other Governmental Funds	Agency Fund	Enterprise Fund	Total
Cash with fiscal agent	\$ --	\$ 1,370,444	\$ 272	\$ --	\$ --	\$ 1,370,716
Maintenance accounts	1,568,115	--	4,563,275	--	--	6,131,390
Amounts held from property owners	--	--	515,930	8,615,213	--	9,131,143
Customer deposits	--	--	--	--	1,634,524	1,634,524
Sinking accounts	--	--	--	--	25,360	25,360
Reserve accounts	--	--	--	--	450,348	450,348
Construction accounts	--	--	3,874,830	--	2,245,922	6,120,752
Total	\$ 1,568,115	\$ 1,370,444	\$ 8,954,307	\$ 8,615,213	\$ 4,356,154	\$ 24,864,233
Cash and investments	\$ 1,564,544	\$ 1,370,444	\$ 8,753,091	\$ 8,615,213	\$ 4,330,193	\$ 24,633,485
Revenue receivable	--	--	187,800	--	--	187,800
Interest receivable	3,571	--	13,416	--	25,961	42,948
Total	\$ 1,568,115	\$ 1,370,444	\$ 8,954,307	\$ 8,615,213	\$ 4,356,154	\$ 24,864,233

Amounts payable from restricted assets at September 30, 2004, consist of the following:

	Special Revenue Fund Fire District	Other Governmental Funds	Agency Fund	Enterprise Fund	Total
Customer deposits	\$ --	\$ --	\$ --	\$ 1,634,524	\$ 1,634,524
Accrued interest payable	--	--	--	25,350	25,350
Accounts payable	4,790	28,085	--	--	32,875
Contracts payable	19,800	406,656	--	--	426,456
Retainages payable	--	150,083	--	--	150,083
Payable to bondholders	--	--	8,615,213	--	8,615,213
Total	\$ 24,590	\$ 584,824	\$ 8,615,213	\$ 1,659,874	\$ 10,884,501

NOTE 6 - INTERFUND TRANSFERS

A summary of interfund transfers for the year ended September 30, 2004 is as follows:

	General Fund	Transfer In Capital Project Fund Community Facilities Construction	Non-major Governmental Funds	Total
Transfers Out				
Non-major governmental funds	\$ 100,000	\$ --	\$ 478,073	\$ 578,073
Major funds:				
General Fund	--	4,663	--	4,663
Fire District Special Revenue Fund	106,090	--	--	106,090
Total	\$ 206,090	\$ 4,663	\$ 478,073	\$ 688,826

CITY OF WESTON, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 6 - INTERFUND TRANSFERS (continued)

Amounts transferred during the year were mainly for reimbursements. Other non-major governmental funds include a \$ 400,000 transfer relating to capital expenditures.

NOTE 7 - CAPITAL ASSETS, NET

Capital asset activity for the year ended September 30, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 10,739,199	\$ --	\$ --	\$ 10,739,199
Construction-in-progress	<u>6,110,417</u>	<u>7,588,848</u>	<u>6,110,417</u>	<u>7,588,848</u>
Total capital assets not being depreciated	<u>16,849,616</u>	<u>7,588,848</u>	<u>6,110,417</u>	<u>18,328,047</u>
Capital assets being depreciated:				
Buildings	6,368,587	--	--	6,368,587
Infrastructure	147,532,393	10,539,030	--	158,071,423
Machinery and equipment	<u>2,077,710</u>	<u>224,642</u>	<u>--</u>	<u>2,302,352</u>
Total capital assets being depreciated	<u>155,978,690</u>	<u>10,763,672</u>	<u>--</u>	<u>166,742,362</u>
Less accumulated depreciation:				
Buildings	365,381	159,852	--	525,233
Infrastructure	3,329,332	1,003,453	--	4,332,785
Machinery and equipment	<u>1,603,669</u>	<u>292,961</u>	<u>--</u>	<u>1,896,630</u>
Total accumulated depreciation	<u>5,298,382</u>	<u>1,456,266</u>	<u>--</u>	<u>6,754,648</u>
Total capital assets, being depreciated, net	<u>150,680,308</u>	<u>9,307,406</u>	<u>--</u>	<u>159,987,714</u>
Governmental activities capital assets, net	\$ <u><u>167,529,924</u></u>	\$ <u><u>16,896,254</u></u>	\$ <u><u>6,110,417</u></u>	\$ <u><u>178,315,761</u></u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ <u>961,862</u>	\$ <u>121,867</u>	\$ <u>892,166</u>	\$ <u>191,563</u>
Total capital assets not being depreciated	<u>961,862</u>	<u>121,867</u>	<u>892,166</u>	<u>191,563</u>
Capital assets being depreciated:				
Improvements other than buildings	33,365,607	1,067,524	--	34,433,131
Machinery and equipment	<u>147,556</u>	<u>29,957</u>	<u>33,183</u>	<u>144,330</u>
Total capital assets being depreciated	<u>33,513,163</u>	<u>1,097,481</u>	<u>33,183</u>	<u>34,577,461</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 7 - CAPITAL ASSETS, NET (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation:				
Improvements other than buildings	8,692,366	863,536	--	9,555,902
Machinery and equipment	<u>102,297</u>	<u>26,484</u>	<u>28,784</u>	<u>99,997</u>
Total accumulated depreciation	<u>8,794,663</u>	<u>890,020</u>	<u>28,784</u>	<u>9,655,899</u>
Total capital assets being depreciated, net	<u>24,718,500</u>	<u>207,461</u>	<u>4,399</u>	<u>24,921,562</u>
Business-type activities capital assets, net	\$ <u>25,680,362</u>	\$ <u>329,328</u>	\$ <u>896,565</u>	\$ <u>25,113,125</u>

Provision for depreciation was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 3,518
Public safety	135,444
Community development	12,097
Public works	817,296
Parks and recreation	<u>487,911</u>
Total provision for depreciation - governmental activities	\$ <u>1,456,266</u>
Business-type activities:	
Enterprise - water and sewer	\$ <u>890,019</u>
Total provision for depreciation - business-type activities	\$ <u>890,019</u>

Construction Commitments

The City has numerous active construction projects as of September 30, 2004. The projects include street construction in areas with newly developed housing, new recreational facilities, widening and construction of existing streets and bridges, and the construction of additional sewer treatment facilities. At year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Spent-to-Date</u>	<u>Commitment</u>
Vista Park	\$ 3,913,993	\$ 1,375,737
Regional Park - Roundabout	416,290	859,426
Weston Entry Signs	688,713	359,992
Tequesta Trace Park Improvements	206,527	321,929
Swale Stabilization	147,782	131,924
Stormwater Pump Station	392,067	66,882
Bonaventure Master Plan	<u>1,345,969</u>	<u>59,518</u>
Total	\$ <u>7,111,341</u>	\$ <u>3,175,408</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 8 - NO OBLIGATION SPECIAL ASSESSMENT BONDS

The City, through ITDD and BDD, acts as an agent for the payment of special assessment bonds. Neither the City nor ITDD nor BDD are obligated in any manner for the repayment of these bonds. The City's responsibility through ITDD and BDD is limited to acting as an agent in collecting the assessments and forwarding the collections to bondholders as bond and interest payments become due. These amounts are reflected in the Agency Fund. Accordingly, no liability for these bonds have been recorded in the City's basic financial statements. The principal amount of outstanding debt under these special assessment bonds was \$ 111,040,000 at September 30, 2004:

At September 30, 2004, no obligation special assessment bonds are summarized as follows:

<u>Bond Issue</u>	<u>Issue/Reissue Date</u>	<u>Original Principal Amount</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
1995A ITDD	February 1995	\$ 65,565,000	5.375%-5.75%	\$ 35,055,000
1995B ITDD	February 1995	33,010,000	8.25%	17,755,000
1997 ITDD	July 1997	41,635,000	4.50%-5.00%	36,940,000
2002 BDD	January 2002	12,790,000	2.25%-5.125%	12,085,000
2003 Isles at Weston	April 2003	<u>9,330,000</u>	5.50%	<u>9,205,000</u>
		\$ <u>162,330,000</u>		\$ <u>111,040,000</u>

The 1995A, 1995B and 1997 Bond issues relate to ITDD and are secured by a pledge of the proceeds of the bonds, non ad-valorem special assessments, and moneys and investments on deposit. The Series 1995A and 1995B Bond's proceeds were utilized for various construction projects within the District. Series 1995B Bonds are subordinated to the Series 1995A Bonds. The Series 1997 Bonds' proceeds are being used to pay for certain improvements to the water management system. The 2002 Bond issue relates to BDD and is secured by a pledge of the proceeds of the bonds, non ad-valorem special assessments, and money and investments on deposit. The Series 2002 Bond proceeds were utilized to acquire the Keep Bonaventure Beautiful and to continue, which is still in progress, construction of the balance of the Bonaventure Master Plan. The 2003 Series Isles at Weston Bond proceeds are being used to finance the cost of infrastructure and facilities improvements and Vista Park improvements, secured by a pledge of the proceeds of the bonds, non ad-valorem special assessments, and moneys and investments or deposit.

NOTE 9 - LONG-TERM DEBT

The City has issued notes for governmental activities at September 30, 2004 as follows:

<u>Notes Payable</u>	<u>Balance</u>
Community Facilities Notes	
\$ 6,920,813 Series 2002A-1 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2008. Monies were used for capital improvements. The note is collateralized by franchise fees.	\$ 5,129,568
\$ 3,044,582 Series 2002A-2 promissory note with principal and interest due semi-annually with a 2.59% fixed interest rate maturing on April 1, 2009. Monies were used for capital improvements. The note is collateralized by franchise fees.	2,384,859

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 9 - LONG-TERM DEBT (continued)

\$ 5,137,410 Series 2002B promissory note with principal and interest due semi-annually with a 2.91% fixed interest rate maturing on April 1, 2009. Monies were used for capital improvements. The note is collateralized by franchise fees. 4,029,037

Special Assessment Debt with Government Obligation -Street Lighting Note

\$ 730,000 note through Florida Local Government Finance Commission (FLGFC) with principal and interest due February 1, 2005. Interest rate is variable based on the 6-month commercial paper rate (Series A at 1.231% and Series B at 1.220% as of September 30, 2004). Monies were used to construct and install street lights. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt. 160,000

Special Assessment Debt with Government Obligation - Roadway Improvements Note

\$ 1,352,671 Series 2001 promissory note with principal and interest due semi-annually with a 4.95% fixed interest rate maturing on May 1, 2006. Monies are being used for roadway improvements. Note is collateralized by special assessments. In the event of a delinquency in payment of any assessment, the City may cover any deficiencies in the payment of debt. 304,603

Total long-term debt \$ 12,008,067

Annual debt service requirements to maturity for notes payable are as follows:

<u>September 30, Year Ending</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 2,742,033	\$ 314,722
2006	2,679,598	235,797
2007	2,579,630	161,257
2008	2,652,580	88,307
2009	<u>1,354,226</u>	<u>29,237</u>
Total	\$ <u>12,008,067</u>	\$ <u>829,320</u>

Revenue Bonds

At September 30, 2004, revenue bonds have been issued for the Enterprise Fund/business-type activities as follows:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Principal</u>	<u>Interest Rate</u>	<u>Outstanding Balance</u>
Water and Sewer Revenue Bonds Series 1985 ("1985 Bonds")	December 1985	\$ 3,900,000	9.75%	\$ 780,000
Less: Unamortized bond discount				<u>60,351</u>
				\$ <u>719,649</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 9 - LONG TERM DEBT (continued)

The proceeds of the Bonds were used to pay for amounts due to the City of Sunrise, advances received from Arvida, and to fund the cost of certain improvements to the water and sewer system. The Bonds are payable from the lease revenues from the City of Sunrise. The Water and Sewer Revenue Bonds require the establishment of certain cash and investment accounts and determines the order in which transfers are to be made to these cash and investment accounts.

The Series 1985 Bonds are subject to prior redemption at the option of the City, in whole or in part, in inverse order of maturity on any interest payment date, at redemption prices ranging from 103% to 100% of par plus accrued interest.

Annual debt service requirements to maturity for Revenue Bonds are as follows:

<u>September 30, Year Ending</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2005	\$ 370,000	\$ 58,013
2006	<u>410,000</u>	<u>19,898</u>
Total	780,000	77,911
Less: Bond discounts	<u>60,351</u>	<u>--</u>
	\$ <u>719,649</u>	\$ <u>77,911</u>

Changes in Long-Term Debt

Long-term debt activity for the year ended September 30, 2004 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable:					
2002A-1	\$ 6,327,741	\$ --	\$ 1,198,173	\$ 5,129,568	\$ 1,232,580
2002A-2	2,825,990	--	441,131	2,384,859	452,797
2002B	4,767,122	--	738,085	4,029,037	760,032
Special assessment note with government obligation:					
Street Lighting Note	310,000	--	150,000	160,000	160,000
Roadway Improvements Note	434,063	--	129,460	304,603	136,624
Compensated absences	<u>82,822</u>	<u>75,005</u>	<u>14,438</u>	<u>143,389</u>	<u>15,195</u>
Governmental activities: Long-term debt	\$ <u>14,747,738</u>	\$ <u>75,005</u>	\$ <u>2,671,287</u>	\$ <u>12,151,456</u>	\$ <u>2,757,228</u>
Business-type activities:					
Bonds payable:					
Series 1985 Water and Sewer Revenue Bonds	\$ 1,120,000	\$ --	\$ 340,000	\$ 780,000	\$ 370,000
Less: Unamortized Bond discount	<u>70,410</u>	<u>--</u>	<u>10,059</u>	<u>60,351</u>	<u>--</u>
Business-type activity Long-term liabilities	\$ <u>1,049,590</u>	\$ <u>--</u>	\$ <u>329,941</u>	\$ <u>719,649</u>	\$ <u>370,000</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 10 - LEASES

Operating Leases

The City previously entered into an operating lease agreement through October 1, 2007 for office space. The lease includes a renewal option for two additional five-year terms. During the initial term of the lease, base rent increases at an annual rate of \$ 0.50 per square foot while common area maintenance expense (CAM) is adjusted annually by the landlord not to increase more than 5% from the previous year's actual operating expenses. At termination, should the City renew this agreement the same terms and conditions are applicable except that the base rent shall continue to increase annually at a rate of \$ 0.75 per square foot. Total cost for such lease was \$ 111,732 for the year ended September 30, 2004.

The future minimum lease payments relative to this operating lease at September 30, 2004 are approximately as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 113,900
2006	117,300
2007	121,100
Thereafter	<u>NONE</u>
Total	\$ <u>352,300</u>

NOTE 11 - RISK MANAGEMENT/INSURANCE

The City is exposed to risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; illness of and injuries to employees; and natural disasters.

The City purchased an insurance policy that provided coverage of up to a \$ 1,000,000 maximum for each general liability and property damage occurrence in combination with a maximum annual aggregate coverage of approximately \$ 2,000,000 for the policy year ending September 30, 2004. Other insurance policies carried by City of Weston during the year included: automobile, crime, environmental liability, inland marine, physical damage, property (building and contents), public officials liability and workers' compensation. Deductible amounts ranged from \$ 1,000 to \$ 15,000. Settlement amounts have not exceeded insurance coverage during the last three fiscal years.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

City of Sunrise Water and Sewer Agreement

An agreement between the City of Sunrise and ITDD was executed on June 30, 1993, for a term of 30 years with an option to renew for an additional 30 years. The City of Sunrise agrees to supply to ITDD, water and sewer service and provide the related billing and collection services to ITDD's customers based on the City of Sunrise's rate structure. The customers remain with ITDD, but ITDD is performing only certain services under the agreement. The pumping and storage facility funded by the 1985 Water and Sewer Revenue Bond proceeds is being leased to the City of Sunrise based on a semi-annual payment schedule to cover ITDD's debt service on that facility. The direct financing lease minimum lease payment receivable at September 30, 2004 is \$ 858,000 including unearned interest income of \$ 78,000 for a net investment direct financing lease of \$ 780,000.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

The following is a schedule of the approximate future minimum lease payments to be received, as lessor, from the City of Sunrise as of September 30, 2004:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 428,000
2006	<u>430,000</u>
Total	858,000
Less: interest income	<u>78,000</u>
	<u>\$ 780,000</u>

Litigation

The City is engaged in various lawsuits in the ordinary course of business, including a claim of alleged negligence resulting in a wrongful death due to an allegedly dangerous condition at an intersection within the City. Other such suits involve plaintiffs who are seeking damages for injuries which allegedly occurred when plaintiffs fell on City property. As to all of these tort cases, the City is protected by sovereign immunity and thus the potential damages are statutorily limited (unless the plaintiff is able to obtain a claims bill from the Florida legislature). In addition, the City and The Town Foundation, Inc. are involved in a lawsuit regarding the term and the amount that residents pay for bulk cable service under a bulk cable contract. As part of this lawsuit, the cable company has sued The Town Foundation for cable theft, seeking substantial damages. At the present time, the ultimate outcome of all of these matters is not determinable; accordingly, no amounts have been accrued in the City's financial statements. The City intends to vigorously defend these matters and does not expect them to have a material impact on the basic financial statements.

Emergency Medical and Fire Services Agreement

During the year, the City entered into an agreement with the Broward Sheriff's Office (BSO) Department of Fire Rescue and Emergency Services to provide emergency medical and fire protection services. Under the agreement, the City owns the fire stations and is responsible for major repairs and maintenance; however, BSO shall maintain emergency medical and fire protection equipment purchased by the City. Once such equipment has reached the end of its useful life, BSO shall replace the equipment. BSO provides emergency medical and fire protection services to the City on a twenty-four hour, seven days a week basis. BSO also provides three rescue/transport units, three fire responder engine units, one fire aerial unit, two replacement vehicles and personnel.

The agreement, effective through September 2008, includes an additional five-year period renewal option. For the year ended September 30, 2004, the payment schedule required a minimum payment amount of \$ 8,004,482 allocated as follows: \$ 5,150,701 for fire protection services and \$ 2,853,781 for emergency medical services. During the year, the City received a credit of \$ 74,953 due to certain changes in active personnel, which amounted to total costs incurred of \$ 7,929,529.

Payment amounts in subsequent years shall not increase by more than 5.00%, excluding changes in service levels, number of fire engines and emergency service units as requested by the City. Based on a 5.00% annual increase, the approximate future payment schedule will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 8,404,700
2006	8,824,900
2007	9,266,200
2008	9,729,500
Thereafter	<u>N/A</u>
Total	<u>\$ 36,225,300</u>

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Police Services Agreement

The City of Weston had previously entered into an agreement with the Broward Sheriff's Office (BSO) to provide for professional police services through September 2007. Under this agreement, BSO provides all necessary labor, supervision, equipment, vehicles, communication facilities and supplies necessary for the purpose of performing the services. Per the agreement, the City provides a police district's office, for which the City is responsible for major improvements and repairs. BSO pays for all utility costs including, but not limited to, telephone, electric, and water services.

The consideration for all services shall be subject to an annual increase not to exceed 5.00%. The percentage rate is calculated on the total consideration paid in the prior year, excluding any adjustments for vacancy rate credits. The City is entitled to a credit if the annual vacancy rate (calculated in dollars, not number of personnel) exceeds 3.50%. Based on the original agreement as amended, the City's consideration for services provided is approximately \$ 5,987,200 for which BSO provides approximately ninety individuals comprising the department. The original consideration amount has been subject to annual increases and vacancy rate credits as provided by the agreement.

For the year ended September 30, 2004, costs related to this agreement amounted to approximately \$ 6,436,200, including a vacancy rate credit of approximately \$ 238,400. Based on a 5.00% annual increase, the approximate future payment schedule will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 6,758,000
2006	7,095,900
2007	7,450,700
Thereafter	N/A
Total	\$ <u>21,304,600</u>

Professional, Administrative, Financial and Community Services Agreement

The City of Weston has entered into an agreement with Severn Trent Environmental Services, Inc. to provide for administrative, finance, community services and all other duties and functions of the type coming within the jurisdiction of and customarily rendered by municipal departments (other than those provided by other contract providers, such as police, fire, legal, building, engineering, traffic engineering, landscape architecture, and planning and zoning) in accordance with the Charter of the City, and the Statutes of the State of Florida.

This agreement is in effect through September 2007, and contains an automatic renewal option of one five-year term, unless either the City or Severn Trent Environmental Services, Inc. furnishes to the other party a notice of non-renewal not less than 180 days prior to expiration. For each fiscal year, the compensation amount payable for services shall be in an amount agreed to by the City Manager and Severn Trent Environmental Services, Inc., and approved by the City Commission. For the year ended September 30, 2004, costs related to this agreement amounted to approximately \$ 3,395,000. For the year ended September 30, 2005, through the adoption of the City's annual budget, the City Commission approved a budgetary amount of approximately \$ 3,683,000.

Engineering Services Agreement

The City had entered into an agreement with a consulting firm to provide for planning, zoning and engineering services. This agreement has no expiration date; however, it may be terminated without cause by the City within 120 days upon written notice prior to termination; and with cause by either party within five days upon written notice prior to termination. The contractor is compensated under this contract based on a monthly standard fee and an hourly fee schedule structure, based on several service categories, for which both are subject to a 3.00% annual increase. For the year ended September 30, 2004, the monthly standard fees ranged from approximately \$ 6,600 to approximately \$ 21,200 while the hourly fee ranged from approximately \$ 48 per hour to approximately \$ 159 per hour.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

In addition, and as required by the City Manager, the consultant provides the necessary personnel and equipment for special project design, permitting, inspections, special reports, studies and related services. These additional services are quoted/priced and authorized under separate contracts.

For the year ended September 30, 2004, costs related to the services provided by the consultant amounted to approximately \$ 2,394,600.

NOTE 13 - PRIOR PERIOD ADJUSTMENT

During the year, management discovered that beginning unrestricted net assets in the proprietary fund had been understated by \$ 203,080. This understatement occurred due to certain categorizations of lease revenue payments received from the City of Sunrise. As presented in the statement of net assets - proprietary fund, net investments in direct financing lease and restricted interest receivable, beginning balances have been increased by \$ 184,880 and \$ 18,200, respectively. This adjustment does not affect the current year's change in net assets.

NOTE 14 - SPECIAL ITEM

Management has determined that upon completion of in-progress construction and acquisition of certain improvements to the water management system related to the Water Management Special Benefit Assessment Bonds, Series 1997 (1997 ITDD), the 1997 Bond Construction Fund is expected to have surplus monies of approximately \$ 5,156,000. These surplus monies have been transferred from the 1997 Bond Construction Fund (Capital Project Fund) to the 1997 ITDD Fund (Debt Service Fund) to subsidize debt service payments on the bonds starting in fiscal year 2005 through 2011. Subsequently, special assessments imposed to fund debt service will be reduced at equal rates until the available surplus is fully dissipated. The trustee and its legal counsel provided approval to execute this transaction/transfer.

NOTE 15 - RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

The following is a reconciliation of budgetary basis to GAAP basis for the results of operations of various funds for the year ended September 30, 2004:

	Excess (Deficiency) of Revenues over Expenditures							
	Special Revenue Funds				Capital Project Funds			
	General Fund	Indian Trace Development District	Fire District	Street Maintenance	Bonaventure Rights of Way	Community Facilities Construction	Bonaventure	1997 Bond Construction
Statement of revenues, expenditures and changes in fund balances	(1) \$ 4,505,334	(1) \$ (1,034,324)	(2) \$ (98,485)	(3) \$ 626,800	(3) \$ 49,370	(2) \$ (4,431,370)	(4) \$ (2,038,681)	(4) \$ (6,071,987)
Net changes in encumbrances	(609,864)	(871,917)	(4,501)	(1,460,206)	(4,214)	(1,583,396)	613,771	(901,669)
Statement of revenues, expenditures and changes in fund balances - budget and actual	(5) \$ 3,895,470	(6) \$ (1,906,241)	(7) \$ (102,986)	(8) \$ (833,406)	(9) \$ 45,156	(10) \$ (6,014,766)	(11) \$ (1,424,910)	(11) \$ (6,973,656)
	(1) see page 25		(4) see page 61		(7) see page 56		(10) see page 66	
	(2) see page 26		(5) see page 54		(8) see page 63		(11) see page 67	
	(3) see page 60		(6) see page 55		(9) see page 64			

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 16 - BUDGETARY COMPARISON SCHEDULE BEGINNING FUND BALANCES, AS RESTATED

During the year, the City elected to record encumbrances. Encumbrances are commitments under contracts and are shown in the governmental fund statements as a reserved portion of fund balance for subsequent fiscal year outstanding expenditure. The following beginning fund balances have been restated to account for encumbrances at September 30, 2003:

	General Fund	Special Revenue Fund Street Maintenance	Capital Project Funds Community Facilities Construction	Bonaventure	1997 Bond Construction
Fund balance, September 30, 2003	\$29,858,075	\$ 3,342,313	\$ 11,049,692	\$ 2,612,656	\$ 8,509,713
Encumbrances	<u>(99,655)</u>	<u>(221,676)</u>	<u>(54,294)</u>	<u>(634,626)</u>	<u>(825,299)</u>
Restated fund balance, September 30, 2003	<u>\$29,758,420</u>	<u>\$ 3,120,637</u>	<u>\$ 10,995,398</u>	<u>\$ 1,978,030</u>	<u>\$ 7,684,414</u>

NOTE 17 - BEGINNING NET ASSETS/FUND BALANCES, AS RESTATED

The beginning net assets/fund balances of the City have been restated to include the net assets/fund balance of the Town Foundation as of December 31, 2002. The Town Foundation has a December 31, year end and therefore the information included in the financial statements is for the year ending December 31, 2003. Both net assets/fund balance have been reduced by \$ 130,235 as a result of this restatement.

NOTE 18 - RETIREMENT PLANS

Defined Benefit Plan

The City participates in the Florida Retirement System (FRS), a state-wide cost-sharing multiple-employer public employee retirement system (PERS), available to governmental units within the state and administered by the State of Florida Division of Retirement, Department of Administration. The elected officials of the City are eligible to participate in the FRS. All rates, benefits, and amendments are established by the State of Florida through its legislative body.

FRS members with six years of service are entitled to a retirement benefit. Such benefit, payable monthly for life, is based on the percentage shown below, times the number of years of credited service, times the average of the member's five highest years of earnings.

Elected Officers' Class:

Retirement up to age 62 or 30 years of service	3.00%
--	-------

Normal retirement age for the Elected Officers' Class is 62. If a member is vested but has not reached normal retirement age, early retirement can be taken. The amount of the benefit will be reduced by 5% for each year the retirement date precedes normal retirement age.

In addition, eligible FRS members can elect to participate in the deferred retirement option program (DROP). The DROP allows an employee to retire and defer their monthly retirement benefit to an interest-bearing account, for up to a maximum of sixty months, and to continue employment with the City. When the DROP period ends, the employee must terminate employment. At that time, the employee will receive payment of the accumulated DROP benefits, and direct receipt, thereafter, of the FRS monthly retirement benefit.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

September 30, 2004

NOTE 18 - RETIREMENT PLANS (continued)

Contributions to the FRS are made by the City as a percentage of covered payroll. The required contribution rate in effect at year-end was 15.23% for the Elected Officers' Class. No employee contributions are required. Additionally, the City is required to contribute 8.00% for all DROP participants. At September 30, 2004, the City had four employees participating in the FRS, and no participants in the DROP.

The contribution requirements of covered payroll and actual contributions made for fiscal year 2004 and the two preceding years were as follows:

	<u>FY 2004</u>	<u>FY 2003</u>	<u>FY 2002</u>
Contributions requirements	\$ 6,905	\$ 2,456	\$ 16,526
Contributions made (100%)	\$ <u>6,905</u>	\$ <u>2,456</u>	\$ <u>16,526</u>
Total covered payroll	\$ 53,380	\$ 51,530	\$ 27,200
Percent of contributions to total covered payroll	12.94%	4.77%	60.77%

The pension benefit obligation (i.e., the actuarial present value of credited projected benefits) is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The disclosure of the pension benefit obligation is intended to help users assess the FRS's funding status on a going concern basis, assess progress in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers.

The FRS issues an annual report including a statement of financial condition, historical and statistical information and an actuarial report. A copy can be obtained from the State of Florida, Division of Retirement, Research, Education and Policy Section, 2639-C North Monroe Street, Tallahassee, Florida 32399-1560.

Deferred Compensation Plans

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be reallocated to such participant's account. Most permanent, full-time employees participate in the Plan.

Pursuant to resolution number 97-20, the City has adopted a pension plan and trust for the sole benefit of the employees of the City. The City contributes to a Money Purchase Plan (Plan), which is a defined contribution pension plan.

City contributions and related earnings are 100% vested immediately after acceptance of employment. Plan participants are not required to contribute as a condition of participation in the Plan.

During the year, the City was required to contribute 8.5% of each eligible employee's gross earnings, excluding bonuses and overtime. Under an existing employment contract agreement, the City is also required to contribute the maximum allowed by pension regulations to the City Manager's account under this Plan.

CITY OF WESTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2004

NOTE 18 - RETIREMENT PLANS (continued)

The contribution requirement and actual contributions made for the year ended September 30, 2004, was \$ 55,423. Under this Plan, all assets and income of the Plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the Plan are not included in the City's financial statements.

In addition, and pursuant to resolution 97-21, the City offers its employees an optional deferred compensation plan. The City has adopted the provisions of IRS Code Section 457(g) and GASB Statement No. 32, "Accounting and Financial Reporting for IRS Code Section 457 Deferred Compensation Plans." Under these provisions, all assets and income of the Plan are held in trust for the exclusive benefit of participants. Accordingly, the assets and liabilities of the Plan are not included in the City's financial statements.

Both deferred compensation plans are administered by the ICMA Retirement Corporation.

The City does not provide any post-retirement benefits to employees.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND

For the Year Ended September 30, 2004

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
REVENUES:				
Taxes:				
Ad-valorem - current	\$ 7,719,329	\$ 7,814,286	\$ 7,814,286	\$ --
Franchise fees:				
Simplified communications tax	2,967,743	3,096,231	3,096,231	--
Solid waste	895,364	887,875	887,875	--
Utility taxes:				
Electric	3,241,112	3,556,195	3,556,195	--
Gas	55,360	63,471	63,471	--
Total tax revenues	<u>14,878,908</u>	<u>15,418,058</u>	<u>15,418,058</u>	<u>--</u>
Licenses and permits:				
City occupational licenses	288,835	475,703	475,703	--
Building permits	204,167	174,409	174,409	--
Engineering permits	<u>242,391</u>	<u>190,666</u>	<u>190,666</u>	<u>--</u>
Total licenses and permits revenues	<u>735,393</u>	<u>840,778</u>	<u>840,778</u>	<u>--</u>
Intergovernmental:				
Alcohol beverage licenses	10,803	12,942	12,942	--
Half cent sales tax	3,066,220	3,136,007	3,136,007	--
State revenue sharing	549,764	622,254	622,254	--
Grant revenue	<u>--</u>	<u>630,395</u>	<u>630,395</u>	<u>--</u>
Total intergovernmental revenues	<u>3,626,787</u>	<u>4,401,598</u>	<u>4,401,598</u>	<u>--</u>
Charges for services:				
Development review fees	498,000	1,093,656	1,093,656	--
Solid waste fees	3,193,791	3,380,555	3,380,555	--
Recreation fees	263,984	429,654	429,654	--
Recycle fees	190,218	427,976	427,976	--
Tennis center fees	<u>43,300</u>	<u>52,118</u>	<u>52,118</u>	<u>--</u>
Total charges for services	<u>4,189,293</u>	<u>5,383,959</u>	<u>5,383,959</u>	<u>--</u>
Fines and forfeitures:				
Court fines and forfeitures	292,893	410,047	410,047	--
Investment income	696,789	639,770	639,770	--
Contribution from property owners	500,000	554,850	554,850	--
Miscellaneous	<u>100,000</u>	<u>437,654</u>	<u>437,654</u>	<u>--</u>
Total revenues	<u>25,020,063</u>	<u>28,086,714</u>	<u>28,086,714</u>	<u>--</u>
EXPENDITURES:				
Current:				
General government:				
Administrative services	2,149,863	1,989,699	1,989,699	--
City Manager/City Clerk	1,173,650	1,200,878	1,200,878	--
Legal	566,348	695,205	695,205	--
City Commission	<u>97,451</u>	<u>64,112</u>	<u>64,112</u>	<u>--</u>
Total general government	<u>3,987,312</u>	<u>3,949,894</u>	<u>3,949,894</u>	<u>--</u>

CITY OF WESTON, FLORIDA

BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND (continued)

For the Year Ended September 30, 2004

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	
Public safety:				
Police services	5,530,969	5,043,014	5,043,014	--
EMS services	<u>2,896,222</u>	<u>2,819,147</u>	<u>2,819,147</u>	<u>--</u>
Total public safety	<u>8,427,191</u>	<u>7,862,161</u>	<u>7,862,161</u>	<u>--</u>
Community development:				
Planning and zoning	1,083,318	1,644,615	1,644,615	--
Engineering	<u>583,800</u>	<u>201,701</u>	<u>201,701</u>	<u>--</u>
Total community development	<u>1,667,118</u>	<u>1,846,316</u>	<u>1,846,316</u>	<u>--</u>
Public works:				
Solid waste	3,213,031	3,380,555	3,380,555	--
Maintenance	--	742,065	742,065	--
Recycling	<u>47,555</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total public works	<u>3,260,586</u>	<u>4,122,620</u>	<u>4,122,620</u>	<u>--</u>
Park and recreation:				
Parks	<u>4,879,614</u>	<u>4,294,481</u>	<u>4,294,481</u>	<u>--</u>
Total parks and recreation	<u>4,879,614</u>	<u>4,294,481</u>	<u>4,294,481</u>	<u>--</u>
Capital outlay	<u>1,563,250</u>	<u>2,317,199</u>	<u>2,317,199</u>	<u>--</u>
Total expenditures	<u>23,785,071</u>	<u>24,392,671</u>	<u>24,392,671</u>	<u>--</u>
Excess of revenues over expenditures	1,234,992	3,694,043	3,694,043	--
OTHER FINANCING SOURCES (USES):				
Transfers in	206,090	206,090	206,090	--
Transfers out	<u>--</u>	<u>(4,663)</u>	<u>(4,663)</u>	<u>--</u>
Total other financing sources	<u>206,090</u>	<u>201,427</u>	<u>201,427</u>	<u>--</u>
Net change in fund balance	1,441,082	3,895,470	3,895,470	--
FUND BALANCE AT BEGINNING OF YEAR, AS RESTATED (NOTE 16)	<u>20,500,093</u>	<u>29,758,420</u>	<u>29,758,420</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u>21,941,175</u>	\$ <u>33,653,890</u>	\$ <u>33,653,890</u>	\$ <u>--</u>

CITY OF WESTON, FLORIDA
BUDGETARY COMPARISONS SCHEDULE -
INDIAN TRACE DEVELOPMENT DISTRICT
Special Revenue Fund

For the Year Ended September 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ 6,368,055	\$ 6,462,222	\$ 6,462,222	\$ --
Intergovernmental	--	50,000	50,000	--
Investment income	335,558	209,332	209,332	--
Miscellaneous	<u>--</u>	<u>6,643</u>	<u>6,643</u>	<u>--</u>
Total revenues	<u>6,703,613</u>	<u>6,728,197</u>	<u>6,728,197</u>	<u>--</u>
EXPENDITURES:				
Current:				
Public works	5,098,659	4,812,570	4,812,570	--
Public safety	1,325,909	1,238,685	1,238,685	--
General government	538,534	497,623	497,623	--
Community development	146,539	95,156	95,156	--
Capital outlay	<u>1,325,000</u>	<u>1,990,404</u>	<u>1,990,404</u>	<u>--</u>
Total expenditures	<u>8,434,641</u>	<u>8,634,438</u>	<u>8,634,438</u>	<u>--</u>
Net change in fund balance	(1,731,028)	(1,906,241)	(1,906,241)	--
FUND BALANCE AT BEGINNING OF YEAR	<u>10,051,378</u>	<u>13,229,795</u>	<u>13,229,795</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>8,320,350</u></u>	\$ <u><u>11,323,554</u></u>	\$ <u><u>11,323,554</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA
BUDGETARY COMPARISONS SCHEDULE -
FIRE DISTRICT
Special Revenue Fund

For the Year Ended September 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ 5,073,783	\$ 5,327,988	\$ 5,327,988	\$ --
Investment income	29,434	29,031	29,031	--
Miscellaneous:				
Fire and EMS	<u>15,000</u>	<u>23,767</u>	<u>23,767</u>	<u>--</u>
Total revenues	<u>5,118,217</u>	<u>5,380,786</u>	<u>5,380,786</u>	<u>--</u>
EXPENDITURES:				
Current:				
General government	--	17,320	17,320	--
Public safety	5,150,702	5,150,701	5,150,701	--
Public works	43,169	21,391	21,391	--
Capital outlay	<u>20,000</u>	<u>188,270</u>	<u>188,270</u>	<u>--</u>
Total expenditures	<u>5,213,871</u>	<u>5,377,682</u>	<u>5,377,682</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	(95,654)	3,104	3,104	--
OTHER FINANCING USES:				
Transfers out	<u>(106,090)</u>	<u>(106,090)</u>	<u>(106,090)</u>	<u>--</u>
Net change in fund balance	(201,744)	(102,986)	(102,986)	--
FUND BALANCE AT BEGINNING OF YEAR	<u>700,584</u>	<u>1,646,617</u>	<u>1,646,617</u>	<u>--</u>
FUND BALANCE AT END OF YEAR	\$ <u><u>498,840</u></u>	\$ <u><u>1,543,631</u></u>	\$ <u><u>1,543,631</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA
NOTES TO BUDGETARY COMPARISONS SCHEDULES
For the Year Ended September 30, 2004

The following procedures are used to establish the budgetary data reflected in the financial statements:

Florida Statutes require that all City governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. Accordingly, the City has established budgeting procedures.

Prior to August 15, management submits to the City Commission, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. During September, public hearings are conducted to obtain citizen comments on the tentative budget and proposed millage. The final budget is prepared and legally adopted through passage of an ordinance prior to September 30.

The City adopts an operating budget on a generally accepted accounting principles basis for all governmental and proprietary funds except in The Town Foundation, Roadway Improvement Note Fund and the 2003 Bond Construction Fund. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. At September 30, 2004, encumbrances outstanding are as follows:

General Fund	\$ 709,522
Special Revenue Funds:	
Indian Trace Development District Fund	871,917
Fire District Fund	4,500
Street Maintenance Fund	1,681,883
Bonaventure Rights of Way Fund	4,214
Capital Project Funds:	
Community Facilities Construction Fund	1,637,690
Bonaventure Fund	20,855
1997 Bond Construction Fund	<u>1,726,968</u>
	\$ <u>6,657,549</u>

Transfers of appropriations within a fund and between funds can be performed by management. Only supplemental appropriations require the approval of the City Commission. The legal level of control is the overall government level.

OTHER FINANCIAL INFORMATION

COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Street Maintenance Fund - This fund is used to account for revenues received from state and county governments which may only be expended for those items prescribed by law.

Bonaventure Development District Fund - This fund accounts for operating and maintenance activities of the water management and control facilities within the Bonaventure Development District.

Bonaventure Rights of Way Fund - This fund accounts for operation and maintenance of rights of way within the Bonaventure Development District.

Transportation Fund - This fund is used to account for resources and expenditures activities for public transportation for the City's residents.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Street Lighting Fund - This fund is used to account for the installation of street lights along a section of Weston Road and is funded with special assessments and loan proceeds.

Bonaventure Fund - This fund is used to account for financing the cost of infrastructure and facilities benefitting District lands and the acquisition of capital stock of Keep Bonaventure Beautiful Corporation.

Roadway Improvements Note Fund - This fund is used to account for various roadway improvements funded with special assessments to the surrounding property owners.

1997 Bond Construction - This fund is used to account for various improvements to the water management system funded with special assessments to the surrounding property owners.

2003 Bond Construction - This fund is used to account for financing the cost of infrastructure and facilities improvements and Vista Park improvements funded with special assessments to the surrounding property owners.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Roadway Improvements Note Fund - This fund is used to account for the accumulation for and payment of principal and interest for the Roadway Improvements Note which is payable from non ad-valorem taxes.

CITY OF WESTON, FLORIDA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2004

		Special Revenue			
	Street Maintenance	Bonaventure Development District	Bonaventure Rights of Way	Transportation	Total
ASSETS:					
Cash and investments	\$ --	\$ 660,710	\$ 616,846	\$ --	\$ 1,277,556
Accounts receivable	--	7	--	--	7
Interest receivable	--	437	930	--	1,367
Restricted assets:					
Cash and investments	4,102,654	--	--	265,016	4,367,670
Interest receivable	<u>183,643</u>	<u>--</u>	<u>--</u>	<u>11,962</u>	<u>195,605</u>
Total assets	\$ <u>4,286,297</u>	\$ <u>661,154</u>	\$ <u>617,776</u>	\$ <u>276,978</u>	\$ <u>5,842,205</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ --	\$ 7,828	\$ 32,452	\$ --	\$ 40,280
Payable from restricted assets	<u>317,184</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>317,184</u>
Total liabilities	<u>317,184</u>	<u>7,828</u>	<u>32,452</u>	<u>--</u>	<u>357,464</u>
Fund balances:					
Reserved:					
Maintenance	2,287,230	--	--	--	2,287,230
Construction	--	--	--	--	--
Encumbrances	1,681,883	--	4,214	--	1,686,097
Unreserved:					
Undesignated	<u>--</u>	<u>653,326</u>	<u>581,110</u>	<u>276,978</u>	<u>1,511,414</u>
Total fund balances	<u>3,969,113</u>	<u>653,326</u>	<u>585,324</u>	<u>276,978</u>	<u>5,484,741</u>
Total liabilities and fund balances	\$ <u>4,286,297</u>	\$ <u>661,154</u>	\$ <u>617,776</u>	\$ <u>276,978</u>	\$ <u>5,842,205</u>

Capital Projects						Debt Service Roadway Improvements Note	Total Non-major Governmental Funds
Street Lighting	Bonaventure	Roadway Improvements	1997 Bond Construction	2003 Bond Construction	Total		
\$ --	\$ --	\$ 140,409	\$ --	\$ --	\$ 140,409	\$ --	\$ 1,417,965
--	--	--	--	--	--	--	7
--	--	162	--	--	162	--	1,529
148,362	763,380	--	2,511,453	594,972	4,018,167	367,254	8,753,091
<u>172</u>	<u>1,685</u>	<u>--</u>	<u>2,823</u>	<u>517</u>	<u>5,197</u>	<u>414</u>	<u>201,216</u>
\$ <u>148,534</u>	\$ <u>765,065</u>	\$ <u>140,571</u>	\$ <u>2,514,276</u>	\$ <u>595,489</u>	\$ <u>4,163,935</u>	\$ <u>367,668</u>	\$ <u>10,373,808</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 40,280
<u>--</u>	<u>191,090</u>	<u>--</u>	<u>76,550</u>	<u>--</u>	<u>267,640</u>	<u>--</u>	<u>584,824</u>
<u>--</u>	<u>191,090</u>	<u>--</u>	<u>76,550</u>	<u>--</u>	<u>267,640</u>	<u>--</u>	<u>625,104</u>
--	--	--	--	--	--	--	2,287,230
--	--	--	710,758	595,489	1,306,247	--	1,306,247
--	20,855	--	1,726,968	--	1,747,823	--	3,433,920
<u>148,534</u>	<u>553,120</u>	<u>140,571</u>	<u>--</u>	<u>--</u>	<u>842,225</u>	<u>367,668</u>	<u>2,721,307</u>
<u>148,534</u>	<u>573,975</u>	<u>140,571</u>	<u>2,437,726</u>	<u>595,489</u>	<u>3,896,295</u>	<u>367,668</u>	<u>9,748,704</u>
\$ <u>148,534</u>	\$ <u>765,065</u>	\$ <u>140,571</u>	\$ <u>2,514,276</u>	\$ <u>595,489</u>	\$ <u>4,163,935</u>	\$ <u>367,668</u>	\$ <u>10,373,808</u>

CITY OF WESTON, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2004

		Special Revenue			
	Street Maintenance	Bonaventure Development District	Bonaventure Rights of Way	Transportation	Total
REVENUES					
Taxes:					
Non ad-valorem assessments	\$ --	\$ 134,157	\$ 1,205,711	\$ --	\$ 1,339,868
Contribution from property owners	500,000	--	--	--	500,000
Intergovernmental:					
Local option gas tax	1,038,487	--	--	69,592	1,108,079
State revenue sharing	350,018	--	--	--	350,018
Total intergovernmental revenues	1,388,505	--	--	69,592	1,458,097
Investment income	39,881	6,177	5,478	1,770	53,306
Miscellaneous	--	418	--	--	418
Total revenues	1,928,386	140,752	1,211,189	71,362	3,351,689
EXPENDITURES:					
Current:					
General government	--	2,845	1,225	--	4,070
Community development:					
Administrative services	--	33,605	276,874	--	310,479
Public works	472,945	66,490	657,311	1,052	1,197,798
Capital outlay	828,641	--	48,336	--	876,977
Debt service:					
Principal	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--
Total expenditures	1,301,586	102,940	983,746	1,052	2,389,324
Excess (deficiency) of revenues over (under) expenditures	626,800	37,812	227,443	70,310	962,365
OTHER FINANCING SOURCES (USES):					
Transfers in	--	478,073	--	--	478,073
Transfers out	--	--	(178,073)	--	(178,073)
Total financing sources (uses)	--	478,073	(178,073)	--	300,000
Special item (Note 14)	--	--	--	--	--
Net change in fund balances	626,800	515,885	49,370	70,310	1,262,365
FUND BALANCES AT BEGINNING OF YEAR	3,342,313	137,441	535,954	206,668	4,222,376
FUND BALANCES AT END OF YEAR	\$ 3,969,113	\$ 653,326	\$ 585,324	\$ 276,978	\$ 5,484,741

Capital Projects						Debt Service	Total
Street Lighting	Bonaventure	Roadway Improvements	1997 Bond Construction	2003 Bond Construction	Total	Roadway Improvements Note	Non-major Governmental Funds
\$ 106,879	\$ --	\$ --	\$ --	\$ --	\$ 106,879	\$ 149,296	\$ 1,596,043
--	--	--	--	--	--	14,737	514,737
--	--	--	--	--	--	--	1,108,079
--	--	--	--	--	--	--	350,018
--	--	--	--	--	--	--	1,458,097
2,239	13,522	1,680	10,570	4,010	32,021	4,088	89,415
--	--	--	--	--	--	--	418
109,118	13,522	1,680	10,570	4,010	138,900	168,121	3,658,710
--	2,369	1,109	2,602	--	6,080	1,161	11,311
--	--	--	--	--	--	--	310,479
--	--	--	--	--	--	--	1,197,798
--	1,649,834	53,882	923,583	--	2,627,299	--	3,504,276
150,000	--	--	--	--	150,000	129,461	279,461
8,417	--	--	--	3,258	11,675	20,539	32,214
158,417	1,652,203	54,991	926,185	3,258	2,795,054	151,161	5,335,539
(49,299)	(1,638,681)	(53,311)	(915,615)	752	(2,656,154)	16,960	(1,676,829)
--	--	--	--	--	--	--	478,073
--	(400,000)	--	--	--	(400,000)	--	(578,073)
--	(400,000)	--	--	--	(400,000)	--	(100,000)
--	--	--	(5,156,372)	--	(5,156,372)	--	(5,156,372)
(49,299)	(2,038,681)	(53,311)	(6,071,987)	752	(8,212,526)	16,960	(6,933,201)
197,833	2,612,656	193,882	8,509,713	594,737	12,108,821	350,708	16,681,905
\$ 148,534	\$ 573,975	\$ 140,571	\$ 2,437,726	\$ 595,489	\$ 3,896,295	\$ 367,668	\$ 9,748,704

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CITY OF WESTON, FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS

For the Year Ended September 30, 2004

	Balance September 30, 2003	Additions	Deductions	Balance September 30, 2004
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1995A				
ASSETS:				
Investments	\$ <u>1,090,252</u>	\$ <u>6,110,324</u>	\$ <u>6,130,500</u>	\$ <u>1,070,076</u>
LIABILITIES:				
Payable to bond holders	\$ <u>1,090,252</u>	\$ <u>6,110,324</u>	\$ <u>6,130,500</u>	\$ <u>1,070,076</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1995B				
ASSETS:				
Investments	\$ <u>808,500</u>	\$ <u>3,454,836</u>	\$ <u>3,462,000</u>	\$ <u>801,336</u>
LIABILITIES:				
Payable to bond holders	\$ <u>808,500</u>	\$ <u>3,454,836</u>	\$ <u>3,462,000</u>	\$ <u>801,336</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 1997				
ASSETS:				
Investments	\$ <u>937,070</u>	\$ <u>5,355,543</u>	\$ <u>2,938,639</u>	\$ <u>3,353,974</u>
LIABILITIES:				
Payable to bond holders	\$ <u>937,070</u>	\$ <u>5,355,543</u>	\$ <u>2,938,639</u>	\$ <u>3,353,974</u>
INDIAN TRACE DEVELOPMENT DISTRICT, TAX BENEFIT FUND				
ASSETS:				
Investments	\$ <u>216,451</u>	\$ <u>11,721,714</u>	\$ <u>9,526,659</u>	\$ <u>2,411,506</u>
LIABILITIES:				
Payable to bond holders	\$ <u>216,451</u>	\$ <u>11,721,714</u>	\$ <u>9,526,659</u>	\$ <u>2,411,506</u>
INDIAN TRACE DEVELOPMENT DISTRICT, SERIES 2003				
ASSETS:				
Investments	\$ <u>722</u>	\$ <u>655,421</u>	\$ <u>381,185</u>	\$ <u>274,958</u>
LIABILITIES:				
Payable to bond holders	\$ <u>722</u>	\$ <u>655,421</u>	\$ <u>381,185</u>	\$ <u>274,958</u>
BONAVENTURE DEVELOPMENT DISTRICT, SERIES 2002				
ASSETS:				
Investments	\$ <u>687,357</u>	\$ <u>1,115,781</u>	\$ <u>1,099,775</u>	\$ <u>703,363</u>
LIABILITIES:				
Payable to bond holders	\$ <u>687,357</u>	\$ <u>1,115,781</u>	\$ <u>1,099,775</u>	\$ <u>703,363</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS:				
Investments	<u>3,740,352</u>	<u>28,413,619</u>	<u>23,538,758</u>	<u>8,615,213</u>
Total assets	\$ <u>3,740,352</u>	\$ <u>28,413,619</u>	\$ <u>23,538,758</u>	\$ <u>8,615,213</u>
LIABILITIES:				
Payable to bond holders	<u>3,740,352</u>	<u>28,413,619</u>	<u>23,538,758</u>	<u>8,615,213</u>
Total liabilities	\$ <u>3,740,352</u>	\$ <u>28,413,619</u>	\$ <u>23,538,758</u>	\$ <u>8,615,213</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2004

	Street Maintenance				Bonaventure Development District			
	Original	Final	Actual Amounts	Variance	Original	Final	Actual Amounts	Variance
REVENUES:								
Taxes:								
Non ad-valorem assessments	\$ --	\$ --	\$ --	\$ --	\$ 140,800	\$ 134,157	\$ 134,157	\$ --
Contributions from property owners	588,000	500,000	500,000	--	--	--	--	--
Intergovernmental:								
Local option gas tax	886,123	1,038,487	1,038,487	--	--	--	--	--
State revenue sharing	<u>309,242</u>	<u>350,018</u>	<u>350,018</u>	--	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total intergovernmental revenues	<u>1,195,365</u>	<u>1,388,505</u>	<u>1,388,505</u>	--	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Investment income:								
Investment income	35,718	39,881	39,881	--	8,052	6,177	6,177	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>	--	<u>--</u>	<u>418</u>	<u>418</u>	<u>--</u>
Total revenues	<u>1,819,083</u>	<u>1,928,386</u>	<u>1,928,386</u>	--	<u>148,852</u>	<u>140,752</u>	<u>140,752</u>	<u>--</u>
EXPENDITURES::								
Current:								
General government:								
Administrative services	--	--	--	--	52,615	36,450	36,450	--
Public works	663,072	251,268	251,268	--	126,237	66,490	66,490	--
Capital outlay	<u>2,944,622</u>	<u>2,510,524</u>	<u>2,510,524</u>	--	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>3,607,694</u>	<u>2,761,792</u>	<u>2,761,792</u>	--	<u>178,852</u>	<u>102,940</u>	<u>102,940</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,788,611)	(833,406)	(833,406)	--	(30,000)	37,812	37,812	--
OTHER FINANCING SOURCES (USES):								
Transfers in	--	--	--	--	--	478,073	478,073	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	--	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(1,788,611)	(833,406)	(833,406)	--	(30,000)	515,885	515,885	--
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED (NOTE 16)	<u>2,137,678</u>	<u>3,120,637</u>	<u>3,120,637</u>	--	<u>140,170</u>	<u>137,441</u>	<u>137,441</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	\$ <u><u>349,067</u></u>	\$ <u><u>2,287,231</u></u>	\$ <u><u>2,287,231</u></u>	\$ <u><u>--</u></u>	\$ <u><u>110,170</u></u>	\$ <u><u>653,326</u></u>	\$ <u><u>653,326</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2004

	Bonaventure Rights of Way				Transportation Fund			
	Original	Final	Actual Amounts	Variance	Original	Final	Actual Amounts	Variance
REVENUES:								
Taxes:								
Non ad-valorem assessments	\$ 1,265,481	\$ 1,205,711	\$ 1,205,711	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions from property owners	--	--	--	--	--	--	--	--
Intergovernmental:								
Local option gas tax	--	--	--	--	53,446	69,592	69,592	--
State revenue sharing	--	--	--	--	--	--	--	--
Total intergovernmental revenues	--	--	--	--	53,446	69,592	69,592	--
Investment income:								
Investment income	4,500	5,478	5,478	--	2,772	1,770	1,770	--
Miscellaneous	--	--	--	--	--	--	--	--
Total revenues	1,269,981	1,211,189	1,211,189	--	56,218	71,362	71,362	--
EXPENDITURES:								
Current:								
General government:								
Administrative services	301,938	278,099	278,099	--	--	1,052	1,052	--
Public works	838,043	657,311	657,311	--	56,218	--	--	--
Capital outlay	30,000	52,550	52,550	--	--	--	--	--
Total expenditures	1,169,981	987,960	987,960	--	56,218	1,052	1,052	--
Excess (deficiency) of revenues over (under) expenditures	100,000	223,229	223,229	--	--	70,310	70,310	--
OTHER FINANCING SOURCES (USES):								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	(100,000)	(178,073)	(178,073)	--	--	--	--	--
Net change in fund balances	--	45,156	45,156	--	--	70,310	70,310	--
FUND BALANCES AT BEGINNING OF YEAR	50,610	535,954	535,954	--	138,610	206,668	206,668	--
FUND BALANCES AT END OF YEAR	\$ 50,610	\$ 581,110	\$ 581,110	\$ --	\$ 138,610	\$ 276,978	\$ 276,978	\$ --

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CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUND ROADWAY IMPROVEMENTS NOTE FUND

For the Year Ended September 30, 2004

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance</u>
REVENUES:				
Taxes:				
Non ad-valorem assessments	\$ 147,443	\$ 149,296	\$ 149,296	\$ --
Contribution from property owners	--	14,737	14,737	--
Investment income	<u>2,557</u>	<u>4,088</u>	<u>4,088</u>	<u>--</u>
Total revenues	<u>150,000</u>	<u>168,121</u>	<u>168,121</u>	<u>--</u>
EXPENDITURES:				
Current:				
General government	--	1,161	1,161	--
Debt service:				
Principal	129,097	129,461	129,461	--
Interest and fiscal charges	<u>20,903</u>	<u>20,539</u>	<u>20,539</u>	<u>--</u>
Total expenditures	<u>150,000</u>	<u>151,161</u>	<u>151,161</u>	<u>--</u>
Excess of revenue over expenditures	--	16,960	16,960	--
FUND BALANCE, BEGINNING OF THE YEAR	<u>157,382</u>	<u>350,708</u>	<u>350,708</u>	<u>--</u>
FUND BALANCE, END OF THE YEAR	\$ <u><u>157,382</u></u>	\$ <u><u>367,688</u></u>	\$ <u><u>367,668</u></u>	\$ <u><u>--</u></u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECT FUNDS

For the Year Ended September 30, 2004

	Community Facilities Construction				Street Lighting			
	Original	Final	Actual Amounts	Variance	Original	Final	Actual Amounts	Variance
REVENUES:								
Taxes:								
Non ad-valorem assessments	\$ --	\$ --	\$ --	\$ --	\$ 107,512	\$ 106,879	\$ 106,879	\$ --
Franchise fees	2,708,629	3,416,243	3,416,243	--	--	--	--	--
Contribution from property owners	--	730,000	730,000	--	--	--	--	--
Investment income	33,443	75,099	75,099	--	--	--	--	--
Miscellaneous income	--	--	--	--	--	2,239	2,239	--
Total revenue	<u>2,742,072</u>	<u>4,221,342</u>	<u>4,221,342</u>	<u>--</u>	<u>107,512</u>	<u>109,118</u>	<u>109,118</u>	<u>--</u>
EXPENDITURES:								
Current:								
General government	1,184	984	984	--	--	--	--	--
Parks and recreation	--	112,531	112,531	--	--	--	--	--
Capital outlay	1,070,000	7,386,368	7,386,368	--	--	--	--	--
Debt service:								
Principal	2,412,962	2,377,388	2,377,388	--	107,512	150,000	150,000	--
Interest and fiscal charges	<u>327,926</u>	<u>363,500</u>	<u>363,500</u>	<u>--</u>	<u>--</u>	<u>8,417</u>	<u>8,417</u>	<u>--</u>
Total expenditures	<u>3,812,072</u>	<u>10,240,771</u>	<u>10,240,771</u>	<u>--</u>	<u>107,512</u>	<u>158,417</u>	<u>158,417</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,070,000)	(6,019,429)	(6,019,429)	--	--	(49,299)	(49,299)	--
OTHER FINANCING (USES):								
Transfers in	--	4,663	4,663	--	--	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Special item (Note 14)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	<u>(1,070,000)</u>	<u>(6,014,766)</u>	<u>(6,014,766)</u>	<u>--</u>	<u>--</u>	<u>(49,299)</u>	<u>(49,299)</u>	<u>--</u>
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED (NOTE 16)	<u>2,221,087</u>	<u>10,995,398</u>	<u>10,995,398</u>	<u>--</u>	<u>478,081</u>	<u>197,833</u>	<u>197,833</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	\$ <u>1,151,087</u>	\$ <u>4,980,632</u>	\$ <u>4,980,632</u>	\$ <u>--</u>	\$ <u>478,081</u>	\$ <u>148,534</u>	\$ <u>148,534</u>	\$ <u>--</u>

CITY OF WESTON, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL CAPITAL PROJECT FUNDS

For the Year Ended September 30, 2004

	Bonaventure				1997 Bond Construction			
	Original	Final	Actual Amounts	Variance	Original	Final	Actual Amounts	Variance
REVENUES:								
Taxes:								
Non ad-valorem assessments	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Franchise fees	--	--	--	--	--	--	--	--
Contribution from property owners	--	--	--	--	--	--	--	--
Investment income	9,085	13,522	13,522	--	51,671	10,570	10,570	--
Miscellaneous income	--	--	--	--	--	--	--	--
Total revenue	<u>9,085</u>	<u>13,522</u>	<u>13,522</u>	<u>--</u>	<u>51,671</u>	<u>10,570</u>	<u>10,570</u>	<u>--</u>
EXPENDITURES:								
Current:								
General government	--	2,369	2,369	--	--	2,602	2,602	--
Parks and recreation	--	--	--	--	--	--	--	--
Capital outlay	1,440,209	1,036,063	1,036,063	--	2,085,000	1,825,252	1,825,252	--
Debt service:								
Principal	--	--	--	--	--	--	--	--
Interest and fiscal charges	--	--	--	--	--	--	--	--
Total expenditures	<u>1,440,209</u>	<u>1,038,432</u>	<u>1,038,432</u>	<u>--</u>	<u>2,085,000</u>	<u>1,827,854</u>	<u>1,827,854</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(1,431,124)	(1,024,910)	(1,024,910)	--	(2,033,329)	(1,817,284)	(1,817,284)	--
OTHER FINANCING (USES):								
Transfers in	--	--	--	--	--	--	--	--
Transfers out	--	(400,000)	(400,000)	--	--	--	--	--
Special item (Note 14)	--	--	--	--	--	(5,156,372)	(5,156,372)	--
Net change in fund balances	<u>(1,431,124)</u>	<u>(1,424,910)</u>	<u>(1,424,910)</u>	<u>--</u>	<u>(2,033,329)</u>	<u>(6,973,656)</u>	<u>(6,973,656)</u>	<u>--</u>
FUND BALANCES AT BEGINNING OF YEAR, AS RESTATED (NOTE 16)	<u>140,170</u>	<u>1,978,030</u>	<u>1,978,030</u>	<u>--</u>	<u>10,334,171</u>	<u>7,684,414</u>	<u>7,684,414</u>	<u>--</u>
FUND BALANCES AT END OF YEAR	\$ <u>(1,290,954)</u>	\$ <u>553,120</u>	\$ <u>553,120</u>	\$ <u>--</u>	\$ <u>8,300,842</u>	\$ <u>710,758</u>	\$ <u>710,758</u>	\$ <u>--</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

These schedules present only the capital assets balances related to governmental funds.

CITY OF WESTON, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY SOURCE

September 30, 2004

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 10,739,199
Buildings	6,368,587
Infrastructure	158,071,423
Machinery and equipment	2,302,352
Construction-in-progress	<u>7,588,848</u>
Total governmental funds capital assets	\$ <u><u>185,070,409</u></u>

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:

General Fund	\$ 10,895,045
Special Revenue Funds	4,249,335
Capital Projects Funds	160,081,361
Contributions	<u>9,844,668</u>
Total investment in governmental funds capital assets	\$ <u><u>185,070,409</u></u>

CITY OF WESTON, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY

September 30, 2004

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Construction in Progress	Total
GENERAL GOVERNMENT:						
City Commission	\$ --	\$ --	\$ 4,774	\$ 33,005	\$ --	\$ 37,779
City Manager/City Clerk	<u>--</u>	<u>--</u>	<u>379</u>	<u>91,808</u>	<u>--</u>	<u>92,187</u>
Total general government	<u>--</u>	<u>--</u>	<u>5,153</u>	<u>124,813</u>	<u>--</u>	<u>129,966</u>
PUBLIC SAFETY:						
Fire services	--	2,303,918	19,926	117,214	174,900	2,615,958
Police services	<u>--</u>	<u>1,653,028</u>	<u>55,875</u>	<u>86,355</u>	<u>--</u>	<u>1,795,258</u>
Total public safety	<u>--</u>	<u>3,956,946</u>	<u>75,801</u>	<u>203,569</u>	<u>174,900</u>	<u>4,411,216</u>
COMMUNITY DEVELOPMENT:						
Field maintenance	--	--	916,119	54,756	--	970,875
PARKS AND RECREATION:						
Parks	5,320,084	2,090,860	18,261,521	720,090	4,234,250	30,626,805
PUBLIC WORKS:						
Signs/signals	--	--	1,794,389	--	773,319	2,567,708
Roadways/rights of way	--	--	14,959,460	82,342	721,343	15,763,145
Streetlights	--	--	1,313,640	--	--	1,313,640
Water management	<u>5,419,115</u>	<u>320,781</u>	<u>120,745,340</u>	<u>1,116,782</u>	<u>1,685,036</u>	<u>129,287,054</u>
Total public works	<u>5,419,115</u>	<u>320,781</u>	<u>138,812,829</u>	<u>1,199,124</u>	<u>3,179,698</u>	<u>148,931,547</u>
Total governmental funds capital assets	\$ <u>10,739,199</u>	\$ <u>6,368,587</u>	\$ <u>158,071,423</u>	\$ <u>2,302,352</u>	\$ <u>7,588,848</u>	\$ <u>185,070,409</u>

CITY OF WESTON, FLORIDA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the Year Ended September 30, 2004

Function and Activity	Governmental Funds Capital Assets October 1, 2003	Additions	Deletions	Governmental Funds Capital Assets September 30, 2004
GENERAL GOVERNMENT:				
City Commission	\$ 37,779	\$ --	\$ --	\$ 37,779
City Manager/City Clerk	<u>92,187</u>	<u>--</u>	<u>--</u>	<u>92,187</u>
Total general government	<u>129,966</u>	<u>--</u>	<u>--</u>	<u>129,966</u>
PUBLIC SAFETY:				
Fire services	2,400,065	215,893	--	2,615,958
Police services	<u>1,724,622</u>	<u>70,636</u>	<u>--</u>	<u>1,795,258</u>
Total public safety	<u>4,124,687</u>	<u>286,529</u>	<u>--</u>	<u>4,411,216</u>
COMMUNITY DEVELOPMENT:				
Field maintenance	740,163	230,712	--	970,875
PARKS AND RECREATION:				
Parks	23,917,700	7,690,101	980,996	30,626,805
PUBLIC WORKS:				
Signs/signals	1,378,298	1,218,621	--	2,596,919
Roadways/rights of way	12,389,525	3,373,620	225,150	15,537,995
Streetlights	1,313,640	--	--	1,313,640
Water management	<u>128,834,327</u>	<u>5,552,937</u>	<u>4,904,271</u>	<u>129,482,993</u>
Total public works	<u>143,915,790</u>	<u>10,145,178</u>	<u>5,129,421</u>	<u>148,931,547</u>
Total governmental funds capital assets	\$ <u>172,828,306</u>	\$ <u>18,352,520</u>	\$ <u>6,110,417</u>	\$ <u>185,070,409</u>

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CITY OF WESTON, FLORIDA
GOVERNMENT-WIDE EXPENSES BY FUNCTION

Table 1

Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Interest on Long-term Debt</u>	<u>Water and Sewer</u>	<u>Total</u>
2003	\$ 8,821,581	\$ 16,300,578	\$ 3,616,475	\$ 6,006,271	\$ 3,840,327	\$ 403,891	\$ 16,016,476	\$ 55,005,599
2004	8,383,658	18,255,951	3,830,517	6,159,106	4,797,437	361,879	16,438,571	58,227,119

(1) Information for fiscal years 1996 - 2002 is unavailable.

CITY OF WESTON, FLORIDA

Table 2

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years (1)

Fiscal Year	Program Revenues			General Revenues				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Inter- Governmental	Investment Income	Miscellaneous	
2003	\$ 26,583,675	\$ 20,000	\$ 8,721,433	\$ 31,516,672	\$ 5,316,029	\$ 2,007,798	\$ 346,610	\$ 74,512,217
2004	39,888,601	943,670	3,050,493	19,231,648	4,879,282	1,463,532	400,709	69,857,935

(1) Information for fiscal years 1996 - 2002 is unavailable.

CITY OF WESTON, FLORIDA

Table 3

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years (2)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Community Development</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Non-Departmental</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
1997	\$ 2,053,788	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,641,057	\$ 277,854	\$ 5,972,699
1998	1,524,735	2,921,948	1,351,368	2,766,202	992,768	34,444	5,550,670	218,214	15,360,349
1999	2,380,791	2,818,246	2,578,571	3,805,705	1,072,662	36,650	9,464,074	343,766	22,500,465
2000	3,104,326	3,707,050	3,357,182	8,115,619	1,456,609	2,841,008	17,940,391	1,825,403	42,347,588
2001	3,159,029	8,922,430	3,436,104	8,510,064	2,534,181	312,673	14,706,436	1,571,026	43,151,943
2002	3,801,418	10,574,449	6,255,075	7,553,745	2,968,139	329,476	14,527,143	3,115,187	49,124,632
2003	8,738,757	16,192,125	3,592,089	5,055,961	3,503,973	--	12,783,855	9,172,209	59,038,969
2004	8,319,573	18,120,507	3,818,419	5,341,810	4,309,528	--	12,242,102	3,052,563	55,204,502

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

(2) City established September 2, 1996 with operations commencing October 1, 1996.

CITY OF WESTON, FLORIDA
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Table 4

Last Ten Fiscal Years (2)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Inter-Governmental</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Community Fees</u>	<u>Investment Income</u>	<u>Contributions</u>	<u>Miscellaneous</u>	<u>Total</u>
1997	\$ 1,492,976	\$ 81,891	\$ --	\$ --	\$ 41,419	\$ --	\$ 577,902	\$ --	\$ 341,372	\$ 2,535,560
1998	9,482,866	1,652,134	2,363,872	2,789,301	126,156	1,552,909	2,469,941	--	181,150	20,618,329
1999	12,362,730	2,484,535	3,263,657	3,234,461	142,006	3,244,706	2,202,881	--	212,633	27,147,609
2000	17,968,080	2,539,807	4,481,279	4,200,830	179,700	405,283	2,598,117	--	5,817,033	38,190,129
2001	24,882,822	1,240,656	4,432,279	6,487,806	288,428	64,974	2,647,016	676,623	300,011	41,020,938
2002	27,614,662	1,115,369	4,432,602	6,878,414	407,788	1,068,452	1,840,065	11,320,984	1,657,633	56,676,396
2003	31,461,672	732,037	4,773,029	10,035,663	404,579	334,510	2,007,797	8,339,101	346,609	58,977,997
2004	32,220,554	840,778	5,909,695	9,757,728	410,047	--	1,047,103	1,799,587	528,766	52,514,258

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

CITY OF WESTON, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS (2)

Table 5

Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
1998	\$ 4,611,453	\$ 4,434,429	96.2%	\$ --	\$ 4,434,429	96.2%	\$ 177,024	3.8%
1999	6,136,219	5,863,038	95.5%	177,024	6,040,062	98.4%	347,779	5.7%
2000	11,617,637	11,208,680	96.5%	84,140	11,292,820	97.2%	672,596	5.8%
2001	16,943,926	16,337,190	96.4%	70,266	16,407,416	96.8%	1,209,106	7.1%
2002	17,559,645	16,788,309	95.6%	20,015	16,808,324	95.7%	755,064	4.3%
2003	19,653,896	20,610,630	104.9%	73,193	20,683,823	105.2%	681,781	3.5%
2004	20,674,960	21,032,315	101.7%	4,841	21,037,156	101.8%	743,443	3.6%

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes ad-valorem and non-ad-valorem tax assessments.

CITY OF WESTON, FLORIDA

Table 6

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (3)

Last Ten Fiscal Years (1)

Fiscal Year	Real Property		Personal Property		Exemptions(2)	Total		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property	Assessed Value	Estimated Actual Value	
1998	\$ 2,279,996,380	\$ 2,253,989,570	\$ 72,799,316	\$ 81,346,511	\$ 278,211,390	\$ 2,074,584,306	\$ 2,335,245,081	88.84%
1999	2,410,632,770	2,747,883,570	98,398,335	98,583,345	326,312,960	2,509,031,105	2,846,466,915	88.15%
2000	2,751,630,140	3,124,035,570	106,495,712	107,956,994	325,941,770	2,858,125,852	3,231,992,564	88.43%
2001	3,213,009,630	3,646,101,100	132,541,852	133,695,208	378,305,560	3,345,551,482	3,779,796,308	88.51%
2002	3,742,177,160	4,370,115,510	154,395,895	155,296,809	425,112,420	3,896,573,055	4,525,412,319	86.10%
2003	4,542,698,570	5,034,463,060	167,159,128	193,063,642	467,601,590	4,709,857,698	5,227,526,702	90.10%
2004	5,180,034,950	6,425,988,770	185,638,900	186,438,014	512,586,610	5,365,673,850	6,612,426,784	81.15%

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

(2) Includes homestead exemption of \$ 25,000 per qualifying household.

(3) Source: Broward County Property Appraiser's Office.

CITY OF WESTON, FLORIDA
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENT

Table 7

Last Ten Fiscal Years (1)

Fiscal Year	City of Weston			Operating Millage	County			Debt Service Millage	School District		Total
	Operating Millage	Debt Service Millage	Total City Millage		Debt Service Millage	Total County Millage	Operating Millage		Total School Millage	Other	
1997	(1)	(1)	(1)	7.1487	.6893	7.8380	9.4460	.5285	9.9745	3.1557	19.9682
1998	1.5235	--	1.5235	6.9145	.6565	7.5710	9.2390	.4866	9.7256	3.2440	22.0641
1999	1.5235	--	1.5235	6.8947	.6763	7.5710	8.6740	.4543	9.1283	3.2305	21.4533
2000	1.5235	--	1.5235	6.8903	.6347	7.5250	8.5410	.4143	8.9553	3.2183	21.2221
2001	1.5235	--	1.5235	6.8903	.6347	7.5250	8.5410	.4143	8.9553	3.2183	21.2221
2002	1.5235	--	1.5235	6.6677	.7328	7.4005	8.3590	.3951	8.7541	3.5213	21.1994
2003	1.5235	--	1.5235	6.6685	.6965	7.3650	8.5410	.3415	8.8825	3.5474	21.3184
2004	1.5235	--	1.5235	6.6065	.5815	7.1880	8.1240	.2936	8.4176	3.6275	20.7566

(1) City established September 2, 1996 with operations commencing October 1, 1996. First year of tax was fiscal 1998.

CITY OF WESTON, FLORIDA

Table 8

PRINCIPAL TAXPAYERS

September 30, 2004
(amounts expressed in thousands)

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Cocowalk Development, Inc.	Timeshare	\$ 135,444,490	2.5%
Westview Resorts, Inc.	Timeshare	76,211,850	1.4%
TCC Partners	Hospital	71,985,250	1.4%
Berkley Vacation Resorts, Inc.	Timeshare	56,244,400	1.1%
Meridian Business Campus	I.O.C. Center	41,602,750	0.8%
San Michelle II, LLC	Apartment Complex	34,264,600	0.6%
Weston Apartments Corp.	Apartment Complex	32,213,680	0.6%
Fairlake at Weston, LP	Rental Community	26,123,500	0.5%
San Michelle Joint Venture	Apartment Complex	23,907,910	0.4%
Centex Homes	Residential Builder	<u>23,688,690</u>	<u>0.4%</u>
		\$ <u><u>521,697,830</u></u>	<u><u>9.8%</u></u>

CITY OF WESTON, FLORIDA

Table 9

SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS

Last Ten Fiscal Years (2)

Fiscal Year	Street Lighting		Fire District	
	Special Assessment Billings	Special Assessment Collections	Special Assessment Billings	Special Assessment Collections (1)
2001	\$ 169,000	\$ 131,000	\$ 3,190,000	\$ 3,492,000
2002	107,512	109,024	4,048,850	4,185,698
2003	113,132	109,627	5,437,804	5,245,460
2004	107,512	106,880	5,073,783	5,327,988

(1) Includes prepayments and foreclosures.

(2) The City's first special assessment billing occurred during fiscal 2001.

CITY OF WESTON, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN
September 30, 2004

Table 10

ASSESSED VALUATION	\$ <u>5,365,673,850</u>
--------------------	-------------------------

Debt Limit - the City Charter does not set a limit of bond indebtedness.

CITY OF WESTON, FLORIDA

Table 11

COMPUTATION OF DIRECT AND OVERLAPPING BOND DEBT

September 30, 2004

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Weston</u>	<u>Amount Applicable to City of Weston</u>
City of Weston	\$ —	-- %	\$ —
Broward County	488,355,750	5.24%	25,567,734
Broward School District	1,134,527,718	5.24%	<u>59,397,894</u>
			\$ <u><u>84,965,628</u></u>

Source: Broward County Accounting Division
School Board of Broward County

CITY OF WESTON, FLORIDA

Table 12

REVENUE BOND COVERAGE - WATER AND SEWER ENTERPRISE FUND

Last Ten Fiscal Years (1)

Fiscal Year	Gross Revenues (2)	Operating Expenses (3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			Coverage
				Principal	Interest	Total	
1997	\$ 7,808,294	\$ 5,915,056	\$ 1,893,238	\$ 180,000	\$ 154,336	\$ 434,336	4.36
1998	9,857,171	8,203,719	1,653,452	195,000	236,285	431,285	3.83
1999	11,821,015	10,052,723	1,768,292	215,000	218,171	433,171	4.08
2000	13,640,176	11,689,959	1,950,217	235,000	196,608	431,608	4.52
2001	14,579,768	13,052,412	1,527,356	260,000	172,820	432,820	3.53
2002	15,406,969	14,167,767	1,239,202	280,000	146,251	426,251	2.91
2003	16,031,010	14,985,280	1,045,730	310,000	119,278	429,278	2.44
2004	16,236,623	15,443,578	793,045	340,000	81,575	421,575	1.88

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Total revenues (including investment income) exclusive of tap fees.

(3) Total operating expenses exclusive of provision for depreciation, provision for amortization and interest expense.

(4) Includes principal and interest of the 1985 Water and Sewer Revenue Bonds only, which are paid from operations.

CITY OF WESTON, FLORIDA

Table 13

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years (1)

<u>Fiscal Year</u>	<u>Population</u>	<u>Household Income</u>	<u>Median Age</u>	<u>Formal Schooling</u>	<u>School Enrollment (4)</u>
1998	38,752 (2)	\$ 63,770 (3)	33.8 (2)	Not Available	7,167
1999	42,522 (6)	Not Available (5)	Not Available (5)	Not Available	8,122
2000	48,543 (6)	Not Available (5)	Not Available (5)	Not Available	15,389
2001	53,159 (6)	80,920 (2)	34.1 (2)	Not Available	16,047
2002	57,651 (6)	Not Available (5)	Not Available (5)	Not Available	16,233
2003	59,314 (6)	Not Available (5)	Not Available (5)	Not Available	16,530
2004	60,636 (6)	Not Available (5)	Not Available (5)	Not Available	16,623

Data Sources:

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) United States Department of Commerce Bureau of Census.

(3) United States Bureau of the Census and THK Associates, Inc.

(4) School Board of Broward County, Sagemont Academy and First Baptist Church of Weston, Three Village Montessori School.

(5) Not available for City of Weston.

(6) University of Florida, Bureau of Economic and Business Research.

CITY OF WESTON, FLORIDA

Table 14

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Ten Fiscal Years (1)

Fiscal Year	Property Value (2)*					Commercial Construction (3)		Residential Construction (3)		Bank Deposits (4)
	Commercial	Residential	Agricultural	Exemptions	Total	Number of Units	Value*	Units	Number of Value*	
1998	\$ 211,454,700	\$ 2,383,548,331	\$ 18,453,440	\$ 278,211,390	\$ 2,335,245,081	43	\$ 29,513,746	1,246	\$ 186,247,950	\$ 399,182,000
1999	348,110,770	2,759,789,190	13,161,500	326,312,960	2,794,748,500	57	151,450,840	1,592	265,868,570	500,318,000
2000	348,178,950	2,759,789,190	13,161,500	325,941,770	2,795,187,870	96	174,004,581	1,654	279,797,612	591,871,000
2001	478,786,400	3,148,445,610	18,993,450	378,305,560	3,267,919,900	83	135,704,129	1,524	340,296,286	601,889,000
2002	557,138,780	3,782,199,000	27,414,710	425,112,420	3,941,640,070	49	20,851,591	990	218,775,784	712,806,000
2003	718,567,700	4,695,346,520	25,908,000	467,601,590	5,907,423,810	47	32,815,905	421	195,542,756	599,912,000
2004	810,618,230	5,600,867,140	11,374,430	512,586,610	6,935,446,410	53	23,920,500	365	82,435,780	768,954,000

* Amounts expressed in thousands.

(1) City established September 2, 1996 with operations commencing October 1, 1996.

(2) Source: Broward County Property Appraiser's Office.

(3) Source: Broward County Building Department.

(4) Source: Federal Deposit Insurance Corporation as of June 30.

CITY OF WESTON, FLORIDA

Table 15

MISCELLANEOUS STATISTICS

September 30, 2004

DATE OF INCORPORATION	September 2, 1996
FORM OF GOVERNMENT	Commission - Manager
NUMBER OF EMPLOYEES (EXCLUDING POLICE AND FIRE):	
Classified	0
Exempt	3
AREA IN SQUARE MILES	25.5
CITY OF WESTON FACILITIES AND SERVICES:	
Miles of streets (public)	41
Number of street lights	1,323
Culture and recreation:	
Community centers	1
Parks	13
Park acreage	243
Swimming pools	0
Tennis courts	18
Fire protection:	
Number of stations	3
Number of fire personnel and officers	100
Number of calls answered	4,912
Number of inspections conducted	1,359
Police protection:	
Number of stations	1
Number of police personnel and officers	91
Number of patrol units	81
Number of law violations:	
Arrests:	
Felony	167
Misdemeanor	178
NTA	106
By warrant	87
Traffic arrests	898
D.U.I.	18
Domestic violence	66
Traffic violations:	
Moving citations	4,730
Non-moving citations	2,623
Parking violations	458
Sewerage system:	
Miles of sanitary sewers (public)	127
Miles of storm sewers (public)	95
Number of treatment plants	0
Number of service connections	18,632
Daily average treatment in gallons	8,463,156
Maximum daily capacity of treatment plant in gallons	N/A

CITY OF WESTON, FLORIDA

Table 15

MISCELLANEOUS STATISTICS
(continued)

September 30, 2004

Water system:	
Miles of water mains (public)	205
Number of service connections	19,279
Number of fire hydrants	1,518
Daily average consumption in gallons	9,289,641
Maximum daily capacity of plant in gallons	N/A
Electric distribution system:	
Miles of service	N/A
Number of distribution stations	N/A
Facilities and services not included in the City:	
Cable television system:	
Miles of service	289
Number of satellite receiving stations	5
Education:	
Number of elementary schools	10
Number of elementary school instructors	412
Number of secondary schools	5
Number of secondary school instructors	418
Facilities and services not included in the reporting entity:	
Hospitals:	
Number of hospitals	1
Number of patient beds	150



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor, City Commission and City Manager
City of Weston, Florida
Weston, Florida

We have audited the accompanying basic financial statements of City of Weston, Florida (the City), as of and for the year ended September 30, 2004, and have issued our report thereon dated January 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

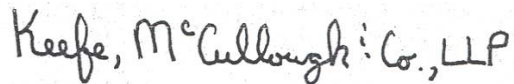
As part of obtaining reasonable assurance about whether City of Weston, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing our audit, we considered City of Weston, Florida's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by management in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

City of Weston, Florida

This report is intended solely for the information of City management, Federal awarding agencies, other grantor and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 7, 2005



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND
INTERNAL CONTROL OVER COMPLIANCE APPLICABLE
TO EACH MAJOR FEDERAL AWARDS PROGRAM**

To the Honorable Mayor, City Commission and City Manager
City of Weston, Florida
Weston, Florida

Compliance

We have audited the compliance of City of Weston, Florida with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement, that are applicable to its major Federal program for the year ended September 30, 2004. City of Weston, Florida's major Federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs on page 94. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal program is the responsibility of City of Weston, Florida's management. Our responsibility is to express an opinion on City of Weston, Florida's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about City of Weston, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Weston, Florida's compliance with those requirements.

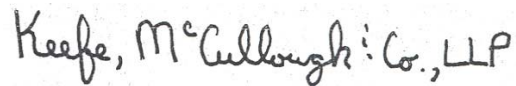
In our opinion, City of Weston, Florida complied, in all material respects, with the requirements referred to above that are applicable to its major Federal program for the year ended September 30, 2004.

Internal Control over Compliance

The management of City of Weston, Florida is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal awards programs. In planning and performing our audit, we considered City of Weston, Florida's internal control over compliance with requirements that could have a direct and material effect on a major Federal awards program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A -133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal awards program being audited may occur and not be detected within a timely period by management in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the City management, Federal awarding agencies, other grantor and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink that reads "Keefe, McCullough & Co., LLP". The signature is written in a cursive, slightly slanted style.

KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 7, 2005



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INDEPENDENT AUDITORS' REPORT TO CITY MANAGEMENT

To the Honorable Mayor, City Commission and City Manager
City of Weston, Florida
Weston, Florida

We have audited the basic financial statements of City of Weston, Florida as of and for the year ended September 30, 2004, and have issued our report thereon dated January 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. We have issued our Independent Auditor's Report on Compliance and Internal Control over Financial Reporting, Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to its Major Federal Program, and Schedule of Findings and Questioned Costs. Disclosures in that report and schedule, which are dated January 7, 2005, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General. Those rules (Section 10.554(1)(g)1.a.) require that we address in the report to City management, if not already addressed in the auditors' report on compliance and internal controls, whether or not inaccuracies, irregularities, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. There were no inaccuracies, irregularities, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions disclosed in the preceding annual financial audit report.

The Rules of the Auditor General (Section 10.554(1)(g)1.b) require that we address in the report to City management, if not already addressed in the auditors' report on compliance and internal controls, whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations in the preceding annual financial audit report have been implemented.

As required by the Rules of the Auditor General (Section 10.554(1)(g)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the City complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(g)4.) require disclosure in the report to City management of the following matters if not already addressed in the auditors' report on compliance and internal controls: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the basic financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed no matters requiring disclosure in the report to City management or the basic financial statements.


The Rules of the Auditor General (Section 10.554(1)(g)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the report to City management, unless disclosed in the notes to the basic financial statements. City of Weston, Florida was established pursuant to Chapter 96-472, Laws of Florida. Indian Trace Community Development District, a blended component unit of City of Weston, Florida was established by Chapter 80-407, Laws of Florida. Bonaventure Development District, a blended component unit of City of Weston, Florida, was established by City of Weston Ordinance #98-61, Chapter 2001-303, Laws of Florida. Town Foundation, a blended component unit of City of Weston, Florida, was established by City of Weston Resolution No. 2003-25.

As required by the Rules of the Auditor General (Section 10.554(1)(g)6.a.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, regarding financial emergencies. In connection with our audit, we determined that the City is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(g)6.b.), we determined that the annual financial report for the City for the year ended September 30, 2004, filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2004.

As required by the Rules of the Auditor General (Section 10.554(g)(6)c. and 10.556), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

This report to management is intended solely for the information of management, members of the City Commission and the Auditor General of the State of Florida, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


KEEFE, McCULLOUGH & CO., LLP

Fort Lauderdale, Florida
January 7, 2005

CITY OF WESTON, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2004

<u>Federal Agency Federal Program</u>	<u>CFDA Number</u>	<u>Contract/Grant Number</u>	<u>Expenditures</u>	<u>Transfers to Subrecipients</u>
FEDERAL AGENCY NAME:				
Direct Programs:				
United States Department of Homeland Security Public Assistance Grants	* 97.036	--	\$ 571,480	\$ --
United States Department of Justice Local Law Enforcement Block Grants Program	16.592	2003-LB-BX-0686	<u>11,364</u>	<u>--</u>
Total Federal Agency			<u>582,844</u>	<u>--</u>
Total Expenditures of Federal Awards			\$ <u><u>582,844</u></u>	\$ <u><u>--</u></u>

* Denotes a major program

NOTE: This schedule was prepared on the accrual basis of accounting.

CITY OF WESTON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARDS PROGRAM

For the Year Ended September 30, 2004

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements.
2. No reportable conditions relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the basic financial statements of City of Weston, Florida, were disclosed during the audit.
4. No reportable conditions relating to the audit of the major Federal award program are reported in the Independent Auditor's Report on Compliance and Internal Control over Compliance Applicable to each Major Federal Awards Program.
5. The auditors' report on compliance for the major Federal awards program for City of Weston, Florida expresses an unqualified opinion.
6. No audit findings relative to the major Federal awards program for City of Weston, Florida are reported in Part C of this schedule.
7. The program tested as a major program is as follows:

Federal Program

Federal CFDA No.

United States Department of Homeland Security,
Public Assistance Grants Program

97.036

8. The threshold for distinguishing Types A and B programs was \$ 300,000 for the major Federal awards program.
9. City of Weston, Florida was not determined to be a low-risk auditee pursuant to OMB Circular A-133.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM AUDIT

NONE